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ABSTRACT

Three related bills to provide for improved financing for the Corporation for Public Broadcasting were introduced in Congress. The bills would increase funding for the years 1972-77. Hearings on these bills before the Subcommittee on Communications and Power are reprinted here. Included are the texts of bills, statements made to the Subcommittee on Communications and Power, supporting letters, and discussion of the bills. Achievements of educational television stations are cited in support of the financing. (JK)

ED 066001

FINANCING FOR PUBLIC BROADCASTING—1972

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
COMMUNICATIONS AND POWER

OF THE

COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

SECOND SESSION

ON

H.R. 11807, H.R. 7443, AND H.R. 12808

BILLS TO PROVIDE FOR IMPROVED FINANCING FOR THE
CORPORATION FOR PUBLIC BROADCASTING

FEBRUARY 1, 2, AND 3, 1972

Serial No. 92–62

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Pace, Frank, Jr., chairman of the board.
Schooley, Frank E., member of the board.
Corporation for Public Broadcasting Advisory Committee of National Organizations, Rev. William Fore, chairman.
Federal Communications Commission:
Burch, Hon. Dean, Chairman.
Johnson, Nicholas, Commissioner.
National Association of Educational Broadcasters:
Breitenfeld, Frederick, Ph. D., vice chairman of the board, educational television stations, and executive director, Maryland Center for Public Broadcasting.
Harley, William G., president.
Kager, Kenneth, chairman, board of directors, and general manager, station KUOW, Seattle, Wash.
Kaiser, Lloyd, chairman, executive board, and president and general manager, stations WQED and WQEX, Pittsburgh, Pa.
Montgomery, John A., executive consultant, instructional television, and executive director, Iowa Educational Broadcasting Network.
National Friends of Public Broadcasting, New Orleans, La., Mrs. Moise W. Dennery, member of board of trustees.
Office of Telecommunications Policy, Executive Office of the President, Clay T. Whitehead, Director.

FINANCING FOR PUBLIC BROADCASTING—1972

TUESDAY, FEBRUARY 1, 1972

House of Representatives,
Subcommittee on Communications and Power,
Committee on Interstate and Foreign Commerce,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. Torbert H. Macdonald (chairman) presiding.

Mr. Macdonald. The hearing will come to order.

We are here to hear testimony concerning H.R. 11807, introduced by me, and H.R. 7443, introduced by my colleague from Rhode Island, Mr. Tiernan. The point of the hearings is to find out whether or not long-range financing for the Corporation for Public Broadcasting is a good idea. I happen to think so, but we will see.

The subcommittee has dealt with this matter many times before. The Corporation for Public Broadcasting is a private, nonprofit corporation which was established by the Public Broadcasting Act of 1967.

That legislation had its inception in this subcommittee almost 5 years ago. The Corporation was established to assist in the establishment and development of public radio and television broadcasting stations; secondly, to aid in the development of programs of high quality for presentation over those stations and to assist in the establishment and development of a system of interconnection.

Almost from the first day in 1967 when we considered the legislation establishing the Corporation, we have been concerned with the problem of long-range financing for it. We have heard from both Democratic and Republican administrations that they would come up with the necessary legislation. As a matter of fact, on January 29, 1971, President Nixon, in his budget message to us here in the Congress, stated: "Legislation will be proposed to provide an improved financing arrangement for the Corporation."

Until this day, February 1, 1972, which obviously is just about 1 year and 1 day later, no such legislation has been received by the Congress, nor, as a matter of fact, have any members of this subcommittee been given any reason to believe that such legislation will soon be forthcoming. Thus, we begin these hearings with a sense of frustration and some irritation.

Before we recognize the first witness, I think it would be appropriate for me to state for the record the reasons why I personally—and other members of this subcommittee, I am sure—attach such importance to providing long-range financing for the Corporation for Public Broadcasting.

First, it permits the Corporation to carry out its statutory duties more efficiently and effectively, hopefully, by permitting it to plan ahead—"lead time," as it is called in other industries—with adequate levels of Federal support but not dependent on Federal support. It seems to me it should provide further insulation of public broadcasting from Government interference and control over programing.

We have, here in the subcommittee, I am sure, no intention of permitting public broadcasting or the Corporation to be subjected to public castigation or political pressuring by any arm of the Federal Government. It should not be, in my judgment, and I hope it will never be. But we want to hear—and this is the purpose of the hearing—why long-range financing is good; we want to hear what mistakes you have made, if you have made any indeed. We would like to take a case to the floor of the Congress to give you long-range financing. "Long-range" sounds like 20 years, which it is not, obviously. We would like to take to the floor of the Congress a bill that would do well for the public and for you, and for you to give us testimony that would prove that you have been doing your job.

The text of the bills and agency reports thereon covered in this hearing will be placed in the record at this point.

(The text of H.R. 11807, H.R. 7443, and H.R. 12808, and agency reports thereon follow:)

92d CONGRESS
1st Session

H. R. 11807

IN THE HOUSE OF REPRESENTATIVES

November 16, 1971

Mr. Macdonald of Massachusetts introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

---

A BILL

To provide for improved financing for the Corporation for Public Broadcasting, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Act of 1971".

TITLE I—EXPANSION OF SCOPE AND IMPROVED FINANCING OF CORPORATION FOR PUBLIC BROADCASTING

Sec. 101. (a) Section 396(g)(2) of the Communications Act of 1934 is hereby amended by striking out "and" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof

“; and”, and by inserting after subparagraph (H) the following new subparagraphs:

“(I) to distribute among qualified applicants the funds under paragraph (k) (3) of this section.”

“(J) to encourage and assist the utilization and development of all forms of telecommunications facilities (including new technology) for the production and distribution of educational radio and television programs.”

(b) Subsection (k) of section 396 of the Communications Act of 1934 is amended to read as follows:

“(k) (1) There is hereby established in the Treasury a special fund which shall be known as the Public Broadcasting Fund, to be dispensed in the manner and for the purposes hereinafter set forth. There is appropriated to said Fund for the fiscal year ending June 30, 1973, $65,000,000, and for each of the four succeeding fiscal years such amount as, together with the balance remaining in the Fund at the close of the immediately preceding fiscal year, will bring said Fund to the level of $90,000,000 for the fiscal year ending June 30, 1974; $120,000,000 for the fiscal year ending June 30, 1975; $140,000,000 for the fiscal year ending June 30, 1976; and $160,000,000 for the fiscal year ending June 30, 1977.”

“(2) During the fiscal year ending June 30, 1973, and during each of the four succeeding fiscal years there shall be distributed from the Public Broadcasting Fund to the Corporation for Public Broadcasting:

"(A) $35,000,000 in the fiscal year ending June 30, 1973, $40,000,000 in the fiscal year ending June 30, 1974; and $50,000,000 in each of the three succeeding fiscal years; plus

"(B) to the extent available, a matching amount which equals one-half of the non-Federal support for public broadcasting during the second preceding fiscal year: *Provided, however,* That the total amount distributed to the Corporation under subparagraphs (A) and (B) shall not exceed $65,000,000 in the fiscal year ending June 30, 1973; $90,000,000 in the fiscal year ending June 30, 1974; $120,000,000 in the fiscal year ending June 30, 1975; $140,000,000 in the fiscal year ending June 30, 1976; and $160,000,000 in the fiscal year ending June 30, 1977.

"(3) Of the total amount received by the Corporation from the Fund in each year, not less than 30 per centum shall be distributed by the Corporation in accord with paragraph (4) to public broadcasters.

"(4) Standards for eligibility and distribution under paragraph (3) shall be established by the Corporation after consultation with representatives of public broadcasting organizations, so as to:

"(A) assure the maximum benefit to the public;

"(B) reflect the relative needs and requirements of local communities;

"(C) maintain and stimulate existing or potential sources of non-Federal financing available to noncommerical educational broadcast stations;

"(D) stimulate the growth, development, and independence of noncommercial educational broadcasters; and

"(E) encourage and assist the utilization and development of all forms of telecommunications facilities (including new technology)."

"(5) The moneys to be paid from the Fund to the Corporation shall be paid at the beginning of each fiscal year."

"(6) No public broadcaster shall be eligible for any distribution under paragraph (3) unless it has filed an application with the Corporation no later than one hundred and twenty days after the close of the applicant's fiscal year immediately prior to the fiscal year for which funds are sought establishing its status as a public broadcaster, and showing the amount of the non-Federal support which it received during the preceding fiscal year."

TITLE II—GENERAL PROVISIONS APPLICABLE TO PUBLIC TELECOMMUNICATIONS

SEC. 201. Sec. 397 of the Communications Act of 1934 is amended as follows:

(1) Amending paragraph (5) thereof to read as follows:

"(5) The term 'nonprofit institution' means a foundation, corporation, or assoication, no part of the net earnings of which in fact or by law insures to the benefit of any private individual, and which qualifies as an exempt organization under section 501(c) of the Internal Revenue Code of 1954."

(2) Insert after paragraph (9) thereof the following new paragraph:

"(10) The term 'non-Federal support for educational radio and television' means the value of cash and the fair market value of property received by public broadcasting entities in the United States—

"(A) as gifts, grants, or donation from all sources other than (i) the United States or any agency or establishment thereof, and (ii) any public radio and television entity, and

"(B) as payment for the furnishing of public telecommunications services or materials, from States, State political subdivisions, and educational institutions, except that no amount which has been counted once upon its receipt shall be counted again, in the same or any other year, upon its disbursement to a new recipient. For purposes of this paragraph, the term 'public broadcasting entity' means a nonprofit institution, State agency, or agency of a State political subdivision, substantially all of whose activities consist of production, acquisition, or distribution of public radio and television programs."

92D CONGRESS
1ST SESSION

H. R. 7443

IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 1971

Mr. TIERNAN introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

---

A BILL

To amend the Communications Act of 1934 to provide permanent financing for the Corporation for Public Broadcasting,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Financing Act of 1971".

SEC. 2. The Congress hereby finds and declares—

(1) that in enacting the Public Broadcasting Act of 1967 the Congress declared that it is in the public interest and furthers the general welfare to encourage the growth and development of noncommercial educational radio and television broadcasting which will constitute an expression of diversity and excellence and be

responsive to the interests of the people both in particular localities and throughout the United States;

(2) that the Corporation for Public Broadcasting was established pursuant to the Public Broadcasting Act of 1967 (Public Law 90–129) under the District of Columbia Nonprofit Corporation Act in order to facilitate the development of educational radio and television broadcasting and to afford maximum protection to such broadcasting from extraneous interference and control;

(3) that the achievement of the goals of the Public Broadcasting Act of 1967 will require significant financial support from local, State, and Federal Governments as well as from the private sector; and

(4) that financial support from the Federal Government should be made available in such manner as will avoid extraneous interference and control of the broadcasting, and programing functions of public broadcasting, stimulate greater support from other sources and enable the establishment of financial stability while insuring that the Congress will fulfill its responsibility to supervise the proper utilization of Federal funds.

SEC. 3. (a) Section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended to read as follows:

"(k) (1) (A) There is authorized to be appropriated to the Public Broadcasting Fund (established by paragraph (3)) for the fiscal year ending June 30, 1973, and for each fiscal year thereafter, an amount equal to twice the amount by which non-Federal public broadcasting support for the second fiscal year preceding such fiscal year exceeds $50,000,000 except that the amount so appropriated may not exceed $60,000,000 for the fiscal year ending June 30, 1973, $80,000,000 for the fiscal year ending June 30, 1974, $100,000,000 for the fiscal year ending June 30, 1975, $120,000,000 for the fiscal year ending June 30, 1976, and $140,000,000 for the fiscal year ending June 30, 1977.

"(B) The amount of non-Federal public broadcasting support for a fiscal year shall be certified by the Corporation to the Department of Health, Education, and Welfare within one hundred and eighty days after the close of such fiscal year. The Comptroller General may audit the procedures used to determine the amount of such support.

"(2) For purposes of this subsection—

"(A) Non-Federal public broadcasting support for a fiscal year is the aggregate amount of—

"(i) donations, gifts, and contributions of money or other property received during such fiscal year by public broadcasting recipients from any persons other than States, political subdivisions thereof, or educational institutions, and

"(ii) money or other property received by public broadcasting recipients from States and political subdivisions thereof and educational institutions (except in connection with the sale of property, or rendition of services, which are not related to the provision of educational television programs), in determining the amount of non-Federal public broadcasting support, any money or property received by a public broadcasting recipient from the United States or from another public broadcasting recipient shall be excluded, and any property received shall be valued at fair market value.

"(B) The term 'public broadcasting recipient' means—

"(i) the Corporation,

"(ii) a noncommercial educational broadcast station, or

"(iii) any person (including an agency of a State or a political subdivision thereof) the principal activity of which is providing programs or services to noncommercial educational stations and which is exempt from Federal income taxation by reason of section 501 (c) (3) or is an agency of a State or political subdivision thereof.

"(3) (A) There is created on the books of the Treasury of the United States a special fund to be known as the Public Broadcasting Fund. The Public Broadcasting Fund shall consist of such amounts as may be appropriated to such fund in accordance with paragraph (1) or otherwise deposited in such fund in accordance with law.

"(B) All moneys received into the Public Broadcasting Fund shall be paid to the Corporation at the commencement of each fiscal year to be used solely for the expenses of the Corporation and shall be available therefor until expended.

"(C) The Secretary of the Treasury shall report to the Congress not later than the 31st day of December of each year on the income, disbursements, and status of the Public Broadcasting Fund during the preceding fiscal year."

(b) The amendments made by subsection (a) of this section shall apply with respect to fiscal years ending after June 30, 1972.

92D CONGRESS
2D SESSION

H. R. 12808

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1972

Mr. BROWN of Ohio introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

---

A BILL

To amend the Communications Act of 1934 by authorizing general support grants to defray the ordinary operating costs of noncommercial educational radio and television broadcast stations and by establishing the long-range financing of public broadcast programing through the Corporation for Public Broadcasting in a manner consistent with the original intent of the Public Broadcasting Act of 1967.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Act of 1972".

TITLE I—GRANTS FOR FACILITIES AND GENERAL SUPPORT

Sec. 101. (a) Sections 390 and 391 of subpart A of part IV of title III of the Communications Act of 1934 (47 U.S.C. 390–391) are hereby amended to read as follows:

"Sec. 390. Declaration of Purpose.—The purpose of this subpart is to assist (through matching grants) in the construction and operation of noncommercial educational television and radio broadcasting facilities and stations.

"Sec. 391. Authorization of Appropriations for Facilities Construction Grants and General Support Grants for Noncommercial Educational Broadcast Stations.—(a) There are authorized to be appropriated for the fiscal year ending June 30, 1973, and each of the four succeeding fiscal years such sums, not exceeding $120,000,000 in the aggregate, as may be necessary to carry out the facilities purposes of section 390. There are also authorized to be appropriated for carrying out the said purposes of such section, $15,000,000 for the fiscal year ending June 30, 1973, $20,000,000 for the fiscal year ending June 30, 1974, and $25,000,000 for the fiscal year ending June 30, 1975. There are also authorized to be appropriated for the fiscal year ending June 30, 1976, and for the succeeding fiscal year, $30,000,000 per fiscal year. Sums appropriated pursuant to this subsection shall remain available for payment of grants for projects for which applications, approved under section 392, have been submitted under such section prior to July 1, 1977.

"(b) There are authorized to be appropriated to help defray the ordinary operating costs of existing and new noncommercial educational television and radio broadcast stations (except frequency modulation radio stations operating with no more than 10 watts transmitter power output) for the fiscal year ending June 30, 1973, and each of the four succeeding fiscal years such sums, not exceeding $250,000,000, in the aggregate, as may be necessary to carry out the general support purposes of section 390. There is also authorized to be appropriated for carrying out the purposes of said section, $35,000,000 for the fiscal year ending June 30, 1973, $40,000,000 for the fiscal year ending June 30, 1974, $50,000,000 for the fiscal year ending June 30, 1975, $60,000,000 for the fiscal year ending June 30, 1976, and $65,000,000 for the fiscal year ending June 30, 1977. Sums appropriated pursuant to this subsection shall remain available for payment of station support grants for which applications approved under subsection 391 (b) (1) have been submitted under such subsection prior to July 1, 1977. Such sums shall be disbursed in the manner and for the purposes set forth below:

"(1) Each licensee or permittee of a noncommercial educational broadcast station seeking assistance under this subpart to defray the ordinary operating costs of its station (s) shall submit to the Secretary no later than September 30 each year an application for a general support grant and shall certify the amount of financial support received by the applicant from State or local governmental entities and the amount of funds contributed by private persons, corporate entities and foundations during the preceding fiscal year. The applicant shall also provide such other information as the Secretary may by regulation require, including but not limited to assurances that the station (s) is qualified to receive construction and general support grants under this section, that the grant will not be used to produce or purchase the rights to present programing, or to advertise or otherwise promote particular programs or program series.

"(2) Upon approving such applications, the Secretary shall distribute to each qualified applicant an amount equal to the amount of financial support and contributions (excluding corporate entities and foundations) certified by the applicant as having been received during the preceding fiscal year to support operation of its station (s) : *Provided,* That no single noncommercial educational television broadcast station authorized to such applicant shall be entitled to a matching grant less than $30,000 or in excess of $150,000, and that no single qualified noncommercial educational radio broadcast station authorized to such applicant shall be entitled to a matching grant less than $1,000 or in excess of $25,000."

(b) Sections 393 and 395 of subpart A of part IV of title III of the Communications Act of 1934 (47 U.S.C. 393–394) are hereby amended to read as follows:

"Sec. 393. (a) Records.—Each recipient of assistance under this subpart shall keep such records as may be reasonably necessary to enable the Secretary to carry out his functions under this subpart, including records which fully disclose the amount and the disposition by such recipient of the process of such assistance, the total cost of the project, undertaking, or operations in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project, undertaking, or operations supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this subpart.

"Sec. 394. Rules and Regulations.—The Secretary is authorized to make such rules and regulations as may be necessary to carry out this subpart, including regulations relating to the order of priority in approving applications for general support grants under section 391(b) or for projects under section 392 or to determine the amounts of general support or construction grants for such projects."

(c) Subpart A of part IV of title III of the Communications Act of 1934 is further amended by striking out the heading of such subpart A and inserting in lieu thereof the following:

"SUBPART A—GRANTS FOR CONSTRUCTION OF FACILITIES AND STATION OPERATIONS"

TITLE II—SUPPORT FOR PUBLIC BROADCAST PROGRAMING THROUGH THE CORPORATION FOR PUBLIC BROADCASTING

SEC. 201. (a) Subsections (c) (1) and (c) (2) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(c) (1)-(2) are hereby amended to read as follows:

"(c) (1) The Corporation shall have a Board of Directors (hereinafter in this section referred to as the 'Board'), consisting of fifteen members, ten of whom shall be station members and five of whom shall be public members. Board members shall be appointed by the President, by and with the advice and consent of the Senate. Not more than eight members of the Board may be members of the same political party.

“(2) The station members of the Board (A) shall be selected from among citizens of the United States (not regular full-time employees of the United States) who are, at the time of their appointment, managers of noncommercial educational television and radio broadcast stations; (B) shall be selected so as to provide a broad representation of various regions of the country, various size cities, various educational systems, and various types and sizes of stations. The public members of the Board (C) shall be selected from among citizens of the United States (not regular full-time employees of the United States) who are eminent in such fields as education, cultural and civic affairs, or the arts; (D) shall be selected so as to provide as nearly as practicable a broad representation of various regions of the country, various professions and occupations, and various kinds of talent and experience appropriate to the functions and responsibilities of the Corporation. (E) The above composition of the Board shall be accomplished within three years of the passage of this Act.”

(b) Subsection (f) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(f)) is hereby amended by adding the following paragraphs:

“(4) The Corporation shall not fund, through grants or contracts, directly or indirectly, the production of, or otherwise procure, programs or program series dealing in whole or in part with the coverage, presentation, discussion or analysis of current news events or current issues that are the subject of partisan political controversy.

"(5) The Corporation shall not engage in any activity which, under section 508(e)(1) of the Internal Revenue Code (26 U.S.C. 508(e)(1)), must be prohibited by the governing instrument of any foundation which seeks to be exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a))."

(c) Subsection (g) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(g)) is amended to read as follows:

"PURPOSES AND ACTIVITIES OF THE CORPORATION

"(g)(1) In order to achieve the objectives and to carry out the purposes of this subpart, as set out in subsection (a), the Corporation is authorized to—

"(A) facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, will be made available to noncommercial educational television or radio broadcast stations, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature;

"(B) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum autonomy and independence of the local noncommercial educational television or radio broadcast stations.

"(2) Included in the activities of the Corporation authorized for accomplishment of the purposes set forth in subsection (a) of this section, are, among others not specifically named—

"(A) to obtain grants from and to make contracts with individuals and with private, State, and Federal agencies, organizations, and institutions except that no grants or contracts from a single private individual or entity shall amount in total during any fiscal year to more than 10 per centum of the amount of Federal funds appropriated to the Corporation under section 396(k) of this Act for such fiscal year;

"(B) to contract with or make grants to independent program production entities, individuals, and selected noncommercial educational broadcast stations for the production of, and otherwise to procure from diverse production sources, educational television or radio programs for distribution to noncommercial educational broadcast stations;

"(C) to make payments to existing and new noncommercial educational broadcast stations to aid in financing local educational television or radio programing costs of such stations, particularly innovative approaches thereto, and other costs of operation of such stations except for advertising and other promotional costs;

"(D) to establish and maintain a library and archives of noncommercial educational television or radio programs and related materials and to publish a journal;

"(E) to hire or accept the voluntary services of consultants, experts, advisory boards, and panels to aid the Corporation in carrying out the purposes of this section;

"(F) to encourage the creation of new noncommercial educational stations in order to enhance such service on a local, State, regional, and national basis, and to encourage the development of new communications technologies for educational and instructional uses which will be to the economic advantage of the public; and

"(G) to contract with or make grants to nonprofit entities for research, demonstrations, or training in matters related to noncommercial educational television or radio broadcasting.

"(3) To carry out the foregoing purposes and engage in the foregoing activities, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act, except that the Corporation may not own, operate, or exercise financial or other control, either directly or indirectly, over any television or radio broadcast station, interconnection system or network, cable television system, or interconnection or program production facility."

(d) Subsection (h) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(h)) is amended by deleting the phrase "for noncommercial educational television or radio services" and inserting in lieu thereof "to noncommercial educational television or radio broadcast stations."

(e) Subsection (k) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended as follows:

(1) by deleting paragraph (1) thereof and substituting the following:

"(1) There are authorized to be appropriated for expenses of the Corporation for the fiscal year ending June 30, 1973, the sum of $20,000,000; for the fiscal year ending June 30, 1974, the sum of $25,000,000; and for each of the three succeeding fiscal years, the sum of $30,000,000."

(2) in paragraph (2) thereof, by deleting the phrase "July 1, 1970, to June 30, 1972" and inserting

in lieu thereof "July 1, 1972, to June 30, 1977".

(f) Subsection (1) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(l)) is amended by—

(1) Deleting paragraph (1) thereof in its entirety.

(2) Deleting the phrase "may be audited by the General Accounting Office" in subparagraph (2) (A) and inserting in lieu thereof "shall be audited annually by the GeneralAccounting Office".

(3) Renumbering paragraphs (2) and (3) thereof as paragraphs (1) and (2), respectively.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., June 23, 1971.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: By letter of April 13, 1971, you requested our comments on H.R. 7443, 92d Congress, which, if enacted would be cited as the "Public Broadcasting Financing Act of 1971."

We have no special information as to the advantages or disadvantages of the proposed legislation and, accordingly, we offer no comments regarding the merits of H.R. 7443. However, the following matters are offered for your consideration.

The proposed legislation would authorize to be appropriated to the special fund to be created on the books of the Treasury and known as the Public Broadcasting Fund, for fiscal years 1973 through 1977, subject to maximum limitations, amounts equal to twice the amount by which non-Federal public broadcasting support, for the second fiscal year preceding each fiscal year, exceeds $50 million.

The stated purpose of the bill is to provide permanent financing for the Corporation for Public Broadcasting. However, the proposed legislation merely amends the Communications Act of 1934 to authorize funds to be appropriated for fiscal years 1973 through 1977. Because the financing would not be on a permanent basis, but instead would be authorized for only 5 fiscal years, the committee may wish to amend the stated purpose of the bill to show that the bill authorizes long-term rather than permanent financing.

Proposed subsection 396(k)(1)(B) provides that the amount of non-Federal public broadcasting support for a fiscal year shall be certified by the Corporation to the Department of Health, Education, and Welfare within one hundred and eighty days after the close of such fiscal year, and that the Comptroller General may audit the procedures used to determine the amount of non-Federal public broadcasting support. Public Law 90-129, which established the Corporation, provides access to records for the purpose of audit by the Comptroller General. We believe, however, that the legislation should give the Comptroller General specific authority to carry out procedures considered necessary to verify the amount of donations, gifts, and contributions received by other entities which are used in determining the Federal contribution.

It appears that the proposed subsection 396(k)(2)(A)(ii) should end with a period after the parenthesis following the word "programs" in line 9 on page 4; the remainder of the paragraph, from line 9 through line 15, should be designated as subsection "(B)" and the existing subsection (B) on line 16 should be redesignated as "(C)." In addition, the words "radio and" should be inserted into line 8 on page 4 after the word "educational."

Proposed subsection 396(k)(2)(B)(iii) makes reference, on page 5, line 1 of the bill, to a section 501(c)(3). It appears that this reference should be to section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501) which exempts noncommercial educational stations from Federal income taxation.

Proposed section 396(k)(1)(3)(A) would create a Public Broadcasting Fund on the books of the Treasury of the United States which would consist of all moneys appropriated to or otherwise deposited in such fund in accordance with law. Section 396(k)(3)(B) of the bill provides that all moneys received into the Public Broadcasting Fund shall be paid to the Corporation at the commencement of each fiscal year. The committee may wish to consider providing that the funds of the Corporation would be withdrawn from the Treasury as needed, rather than in a lump sum at the beginning of the year. Such an arrangement would lessen the interest costs to the Government.

Sincerely yours,

ROBERT F. KELLER,
Assistant Comptroller General
of the United States.

CORPORATION FOR PUBLIC BROADCASTING,
Washington, D.C., May 3, 1971.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with your request to Frank Pace, Jr., Chairman of the Corporation for Public Broadcasting, the Corporation is pleased to submit its report on H.R. 7443.

H.R. 7443, introduced by the Honorable Robert O. Tiernan on April 7, 1971, would amend the Communications Act of 1934 to provide "permanent" financing for the Corporation for Public Broadcasting. The intent is to provide financial support from the Federal Government in such a way as to avoid extraneous interference and control of public broadcasting, to stimulate greater support from non-Federal sources, and to enable the establishment of financial stability for public broadcasting while insuring that Congress will fulfill its responsibility to supervise proper utilization of Federal funds.

The bill provides permanent authorization of appropriations to a proposed "Public Broadcasting Fund" for each year beginning with fiscal year 1973. The amount authorized for appropriation to the Fund is determined by a formula which calls for an amount of Federal funds equal to twice the amount of non-Federal funds received by the public broadcasting system, except the first $5 million of such non-Federal funds received by the system are not eligible for Federal matching. Notwithstanding the amounts authorized by application of the formula, H.R. 7443 establishes specific dollar amounts for each of five years beginning with fiscal year 1973.

The bill provides that the amounts available in the Public Broadcasting Fund will be paid annually to the Corporation. Separate appropriation action is not required for payments out of the Fund.

The Corporation believes that provision of permanent financing is urgently necessary. The characteristics of a measure satisfying the concept of "permanent" and the findings contained in Section 2 of H.R. 7443 would, in the Corporation's opinion, require a more assured source of funds not dependent on annual appropriations. In this respect, H.R. 7443 is deficient. The Corporation has long believed that a tax or charge should be instituted with the proceeds dedicated to the financing of public broadcasting in order to insulate operations and make possible more effective planning by providing an assured and continuing flow of funds.

H.R. 7443, however, clearly represents an improvement over the current arrangement for financing public broadcasting and is compatible with and would facilitate additional later legislation that may be considered for further improvement.

The creation of the "Public Broadcasting Fund" by H.R. 7443 is a step of far-reaching importance. Such a fund provides the means for consolidating, controlling, and distributing funds from a variety of sources that might be authorized by Congress in subsequent legislative acts. For example, the provision of a tax or charge at a later date would, the Corporation believes, be facilitated if the administrative arrangements such as those provided by the Fund were already available. The Corporation strongly favors the establishment of the fund as provided in H.R. 7443.

The bill authorizes appropriations for an indefinite period beginning with fiscal year 1973. Present authorization of appropriations terminates on June 30, 1972, and, therefore, a new authorization is required for fiscal year 1973. The Corporation strongly favors continuation of the authorization for an indefinite period.

The amounts authorized for appropriation are to be determined in accordance with a formula stated in the bill. The purpose of the formula, as interpreted by the Corporation, is to stimulate the flow of financing from non-Federal sources so as both to increase the total financing and avoid total dependence on Federal funds. The Corporation concurs in these objectives and believes the provisions of H.R. 7443 in this respect will assist in their attainment. Further, H.R. 7443 provides that specific amounts shall be authorized for 1973 and for four additional years. The Corporation agrees with the desirability of this approach because the setting of specific amounts during this initial five year period provides an effective transition from present levels of funding to the ultimate level of funding that will be produced by application of the formula in the bill. Additionally, the establishment of specific amounts for the initial period provides needed time within which to develop the system for determining the amounts of non-Federal financing to be matched according to the formula.

H.R. 7443 provides that the funds which are deposited in the Public Broadcasting Fund pursuant to annual appropriations shall be paid to the Corporation each year. The requirement of annual appropriation action diminishes the predictability of the amount to be available, generally tends to delay the time at which the amount is known, and indirectly but importantly reduces the amount of insulation from interference and control by the Federal Government. The Corporation recognizes the technical and special problems involved in providing appropriations on any basis other than annual action. Although it desires improvement in this provision, it accepts the annual process implicit in the bill.

According to the President's budget for 1972, the Administration intends to propose to Congress legislation providing a means of improved financing for public broadcasting. The Corporation is aware that consideration is being given within the Administration to such a bill, but is not aware of its nature.

H.R. 7443 does not completely satisfy the requirements for permanent financing as defined by the Corporation, but it is a useful step toward and compatible with an appropriate ultimate solution.

The Corporation believes certain changes and additions to the material in lines 8 to 10 on page 4 should be considered. The language as proposed by the Corporation would read as follows:

"related to the **[**provision**]** *conduct* of educational television *or radio* programs *and activity* **[**.**]**. *However* in determining the amount of non-Federal public broadcasting support *under* (*i*) *and* (*ii*) any money or"

As drafted, the language might seem to restrict the non-counting of certain payments only in the case of subparagraph (ii) whereas actually the provision should apply not only to that subparagraph but also subparagraph (i) and to radio as well as television programs.

Sincerely yours,

JOHN W. MACY, Jr., *President.*

CORPORATION FOR PUBLIC BROADCASTING,
Washington, D.C., February 18, 1972.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with your request of February 9 to the Chairman of the Board, Frank Pace, Jr., the Corporation for Public Broadcasting is pleased to submit its report on H.R. 12808 introduced by Representative Clarence Brown of Ohio.

H.R. 12808 is a comprehensive measure which authorizes funds for educational broadcasting facilities grants for 5 years; authorizes funds to defray operating costs of public radio and television stations through the administration of the Department of Health, Education, and Welfare; reconstitutes the Board of the Corporation for Public Broadcasting; prohibits the Corporation from using Federal funds for financing what is generally known as public affairs programming and for advertising or promoting programs; requires that the Corporation be considered a private rather than a public corporation; and requires a yearly General Accounting Office audit.

Taken in its entirety, H.R. 12808 would severely restrict the Corporation for Public Broadcasting in fulfilling its duties under the Public Broadcasting Act of 1967. Its enactment would substantially set back the future progress carefully made by public broadcasting during the past three years. If the measure passed as written, the structure of the public broadcasting industry would be changed radically from the pattern established by Congress in 1967. Public broadcasters would be restricted by law from producing certain types of programs. A government agency, rather than an independent non-profit corporation, would be designated as the administrator of funds to develop local public radio and television stations. Such funds would be severely restricted as to their use by local licensees.

Since the measure is so comprehensive, comments are provided on a section-by-section basis:

Section 101(a) authorizes the appropriation of sums for the educational broadcasting facilities program administered by the Department of Health, Education, and Welfare. The Corporation has long urged increased appropriations for this program and approves the aims of this subsection. The Corporation feels, however, that the amounts authorized are still inadequate to meet the current needs of the system.

Section 101(b) authorizes the appropriation of funds to help defray the operating costs of public radio and television stations. These funds would be distributed to the stations by the Department of Health, Education, and Welfare under regulations promulgated by the Secretary, following a formula set forth in the legislation.

The Corporation opposes this section for the following reasons:

(1) It places a Federal government agency directly in the business of supporting broadcasting station operations. This recommendation had been made by the Carnegie Commission in 1967 but was rejected by the Congress in favor of a plan to use an independent, non-profit corporation for this task.

(2) It provides funds to the stations without granting the public broadcasting industry the flexibility in determining the best possible method of distribution to fulfill the needs of the stations and to build a system of public broadcasting which best serves the American people.

(3) The subsection prohibits the use of these funds for the production or acquisition of programs or the promotion of such programs. The Corporation feels that the most crucially important need of local stations at the present time is for funds to do more programming of a community nature and that this provision is unduly restrictive and unresponsive to that need.

(4) A subsequent subsection authorizes the Secretary of HEW to promulgate regulations "relating to the order of priority in approving applications for general support grants under Section 391(b)." The Corporation feels this puts an officer of the Federal government directly into the internal affairs of the public broadcasting industry.

(5) In setting up a matching formula principle for purposes of this subsection, the bill excludes contributions from corporate entities or foundations from being eligible for matching. CPB feels that all monies raised by local stations should be counted in matching to increase as much as possible the availability of funds for the entire system, and to make the base of support as broad as possible.

The concept of a statutory formula for the distribution of Federal funds to broadcasting stations or licensees would unduly restrict the development of public broadcasting at a stage in its growth where conditions are highly dynamic and where decisions should be made within the enterprise on a flexible and discretionary basis. This concept was thoroughly considered by the Corporation's Board of Directors last year and unanimously rejected.

Title II. Section 201 would reconstitute the Board of Directors of the Corporation for Public Broadcasting, requiring that 10 of the 15 members be station managers. The Corporation feels that the requirement that the majority of the Board be station managers would not be appropriate and would raise severe conflict of interest problems in the system itself. Under the present Act, there is no prohibition against the appointment of station managers or representatives of stations to the CPB Board if the President chooses to do so. For this reason, the Corporation does not see the need or desirability of the change suggested in H.R. 12808.

A subsequent subsection of this bill would prohibit the Corporation, through its grants or contracts, from aiding in the production or procurement of programs dealing with current events and current issues "that are the subject of partisan political controversy." The Corporation feels that this subsection is too restrictive and that the determination of what kinds of programs shall or shall not be funded with CPB grants should be determined by the Board of Directors of the Corporation and not by statute.

In subsection (5), H.R. 12808 would change the status of the Corporation for Public Broadcasting from a public foundation to a private foundation for the purposes of the Internal Revenue Code. The Corporation is now and has been since it was first incorporated a public foundation. No supporting evidence has been offered to support a change in this arrangement.

Under the "purposes and activities of the Corporation" section of H.R. 12808, the Corporation would be prohibited from accepting from any private, state, or Federal agency, organization, or institution any grant or contract more than 10 percent of the Federal funds appropriated to the Corporation. The Corporation considers this unduly restrictive and opposes this section.

In the subsection authorizing funds, H.R. 12808 would provide $20 million for the Corporation in fiscal year 1973, $25 million in fiscal 1974 and $30 million in each of the three succeeding fiscal years. As the Corporation testified before the Communications Subcommittee of your Committee, such sums are inadequate to complete the task outlined by the Public Broadcasting Act of 1967. It is the judgment of the Corporation that the funds outlined in this particular measure would cause a diminution of the programming and other services now made available by the Corporation.

In a final portion of H.R. 12808, the present language of the Act is changed to require an annual audit by the General Accounting Office. CPB is now subject to audit by GAO. The Corporation is not aware of any reason for making this mandatory and feels that it follows the pattern of this legislation in being unduly restrictive of the Corporation and its activities.

For the foregoing reasons, Mr. Chairman, the Corporation for Public Broadcasting opposes enactment of H.R. 12808. As I testified before the Communications Subcommittee on February 1, the Corporation prefers H.R. 11807 as a measure providing the most meaningful steps toward genuine long range financing for public broadcasting.

Sincerely yours,

JOHN W. MACY, Jr., *President.*

CORPORATION FOR PUBLIC BROADCASTING,
Washington, D.C., January 27, 1972.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with your request of November 30 to the Chairman of the Board, Frank Pace, Jr., the Corporation for Public Broadcasting is pleased to submit its report on H.R. 11807.

H.R. 11807, introduced by the Honorable Torbert H. Macdonald on November 16, 1971, would amend the Communications Act of 1934 to provide expansion of the scope and improved financing for the Corporation.

The Corporation views this bill as constituting a major step toward improved financing. Provision of a higher level of funding on an assured basis for a multi-year period is essential in order to fulfill the purposes of the Public Broadcasting Act of 1967.

The Corporation supports this approach and requests it be given favorable consideration. Because present authorization expires June 30, 1972 and because the program planning and production cycle involves extensive lead time, the Corporation urges prompt action.

Understandably, the bill does not include provisions dealing with financing public broadcasting facilities. The federal programs, administered by the Department of Health, Education, and Welfare, for such financing is now operating under an authorization covering a three-year period that ends June 30, 1973. Financing of the facilities program and the Corporation are both vital to the development of the system, but the timing is such that only Corporation financing needs to be considered at present.

Comments with respect to the two main purposes of the bill follow:

H.R. 11807 proposes *expansion of the scope* of the Corporation by adding authorization for activities cited in Section 396 (g) (2) of the Communications Act: (1) to authorize distribution of a portion of the funds received by the Corporation to qualified applicants as defined in the proposed bill and (2) to authorize assistance in the utilization and development of all forms of telecommunications facilities, including new technology.

The Corporation believes enunciation of these activities among those authorized by the Act provides useful clarification and guidance. The Corporation favors adoption.

H.R. 11807 proposes a *system of improved financing* with the following principal elements: (1) a special fund is established in the Treasury, (2) funds are appropriated to the special fund for each of five fiscal years beginning with fiscal year 1973, (3) a federal matching payment is provided so the total of federal payments depends significantly on the amount of non-federal financing of public broadcasting, and (4) payment of amounts in the special fund would be made to the Corporation annually during the five-year period covered by the bill.

Congress, since it first began consideration of improvement and development of a system of public broadcasting and the creation of the Corporation for Public Broadcasting, has identified the requirement for long-term financing. The need to insulate public broadcasting from interference and control by providing a continuing flow of funds in adequate amounts has long been recognized. Although the proposed bill does not provide a permanent financing system, its provision of funds for a five-year period without a requirement for annual appropriations represents a very substantial improvement.

The Board of Directors of the Corporation, appointed by the President and confirmed by the Senate, is charged with the responsibility to encourage the growth and development of public broadcasting. Members of the Board, drawn from various regions of the country and eminent in the fields of education and cultural and civic affairs, represent the public and determine the policy for the Corporation.

The Board has directed me to express its support for the improved financing proposal and for H.R. 11807 as a whole.

Technical comments:

In line 8, page 1, "Section 296" should read "Section 396."

In lines 9 and 10, page 1, the words "by striking out 'and' at the end of subparagraph (G)," should be deleted.

In line 21, page 4, the comma may not be necessary.

In line 9 on page 5, "insures" should be "inures."

In line 19 on page 5, "donation" should be "donations."

Sincerely yours,

JOHN W. MACY, Jr., *President.*

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 8, 1972.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your requests for the views of this Office on H.R. 13007, H.R. 12808, H.R. 7443, and H.R. 11807, bills providing for financing of public broadcasting activities.

H.R. 13007[1] is identical to draft legislation submitted to the Congress by the Office of Telecommunications Policy on February 1, 1972. This bill would provide for a one-year extension, through fiscal year 1973, of the funding for the Corporation for Public Broadcasting at a total level of $45 million, of which $5 million would represent matching funds from non-Federal sources. It would further provide a mechanism for distributing $15 million of the Federal funds in fiscal year 1973 to the local public television and radio stations.

In testimony before your Committee, and in its report on H.R. 12808, the Office of Telecommunications Policy has outlined the reasons for the Administration position that the present financing system for the Corporation for Public Broadcasting should be extended for one year at this time, while consideration of a future funding procedure continues.

We concur in these views and, accordingly, recommend enactment of H.R. 13007, which would be in accord with the program of the President.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

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[1] H.R. 13007 was referred to the Committee on Interstate and Foreign Commerce on Feb. 7, 1972, after the hearings were closed.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF TELECOMMUNICATIONS POLICY,
Washington, D.C., February 25, 1972.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of February 4, 1972, for the views of the Office of Telecommunications Policy on H.R. 12808, a bill entitled the "Public Broadcasting Act of 1972." If enacted, this proposed legislation would amend the Public Broadcasting Act of 1967 (47 U.S.C. 390-399 (1970)) to provide additional authority to the Department of Health, Education, and Welfare (DHEW) to make grants to noncommercial educational radio and television stations for broadcast facilities construction and general operational support (Title I), and to establish a long-range financing plan for the Corporation for Public Broadcasting (CPB) (Title II).

The principal features of Title I of this bill are as follows: Section 101(a) proposes to amend section 391 of the Communications Act (47 U.S.C. 391 (1970)) to provide significantly increased DHEW support for noncommercial educational broadcast facilities construction efforts, aggregating $120 million in Federal funds over the next five fiscal years (1973-1977))—an average of $24 million annually compared to the $15 million authorized at present. These facilities grants would be administered pursuant to sections 392-395 of the Act (47 U.S.C. 392-395 (1970)) which would continue in force unamended. Second, section 101(b) of the bill would assign to DHEW the responsibility to provide operating assistance grants to qualified stations—a function that is now performed by CPB (*see* 47 U.S.C. 396(g)(2)(C) (1970))—and would authorize a higher level of funding in that regard. It would authorize operational support grants totaling $250 million over the next five fiscal years, an annual average of $50 million. Annual station grants (on a matching basis) would be no less than $30,000 nor more than $150,000 for qualified television stations, and no less than $1,000 nor more than $25,000 for qualified radio stations. Overall, Title I of the bill would entail a Federal expenditure of $370 million—an average of $74 million annually—for the facilities and operational costs of public broadcasting.

Title II of the bill, if enacted, would make several changes in the operations and activities of CPB. Section 201(a), for example, would require that two-thirds of the Corporation's fifteen directors be managers of qualified stations at the time of their appointment, and section 201(b) would prohibit CPB funding of any programming dealing with "current news events or current issues that are the subject of partisan political controversy." A firm restriction against the Corporation's engaging in lobbying or lobbying-type activities would be added. Section 201(c) would amend the 1967 Act to remove interconnection, advertising, and promotional functions from CPB's authorized purposes and activities, and would prohibit acceptance of grants from any single entity in excess of 10 per cent of the Corporation's annual Federal appropriation. Section 201(d) would limit the authorization for free or reduced-rate interconnection service by communications common carriers to qualified stations alone, rather than to public broadcasting services in general. The bill would provide $135 million for the Corporation over the next five fiscal years, an average of $27 million a year. Thus, the total Federal expenditures contemplated by this proposed legislation amount to $505 million over the next five fiscal years, or slightly in excess of $100 million annually.

The Director of OTP testified on February 3, 1972, before your Subcommittee on Communications and Power and expressed the Administration's position with respect to H.R. 12808 and other pending bills (H.R. 7443 and H.R. 11807). Our position may be summarized as follows: We agree with the apparent assumption of this bill that a fundamental review of the Federal relationship to public broadcasting is necessary in light of our first five years of experience under the Public Broadcasting Act of 1967. We also subscribe to what appears to be the principal purpose of this legislation, which is to assure greater financial support and independence for local educational radio and television broadcast stations. Some of the provisions of the bill directed toward this and other ends are certainly worthy of consideration—such as the provision of operating funds from HEW to local stations, station representation on the CPB Board, prohibition of promotional and lobbying activity by CPB, and a denial of funding to programs dealing with partisan political controversies. Other specific features, such as the percentage limitation on CPB acceptance of grants from a single non-governmental source and mandatory GAO audits, seem too restrictive.

The proposed legislation attempts to resolve a number of important issues which will have much to do with the future shape of public broadcasting. Although these issues have existed for some time, it is only in recent months that they have begun to receive extensive attention, particularly outside of the public broadcasting community. We do not believe that the necessary process of public and industry-wide consideration and discussion has yet been completed, and in view of the complexity of the problems involved we believe that Congressional action of such broad scope during the present Session would be unwise. Active investigation of various alternatives should continue, looking towards the passage of definitive legislation next year. In order to enable this to be done without hindering the development of public broadcasting, the Administration has introduced a bill (H.R. 13007) which would extend the present financing system for one year. This legislation would increase the Federal allocation to the Corporation for Public Broadcasting by approximately 30 per cent (from $35 million to $45 million) with provision to insure that the increase will go where the need is greatest—to local stations.

For the above reasons, and also because the proposed funding level of $100 million per year must unfortunately be considered excessive in light of the other demands on the budget, we do not favor enactment of H.R. 12808 at the present time.

The Office of Management and Budget advises that it has no objection to the submission of this report and that enactment of H.R. 13007 would be in accord with the Program of the President.

Sincerely,

ANTONIN SCALIA,
General Counsel.

Mr. MACDONALD. Our first witness this morning is the Secretary, the Honorable Frank Pace, who is the chairman of the board of CPB.

STATEMENT OF FRANK PACE, JR., CHAIRMAN OF THE BOARD, CORPORATION FOR PUBLIC BROADCASTING; ACCOMPANIED BY FRANK E. SCHOOLEY, MEMBER OF THE BOARD; AND JOHN W. MACY, JR., PRESIDENT

Mr. PACE. Thank you, Mr. Chairman. First I have here a statement of the board itself. I speak for 14 other people, very distinguished people. Recognizing that fact and recognizing that I would be appearing before this subcommittee, I submitted to the board—14 of the 15 members were present—the question of their reaction to the bill on which I am testifying.

I have a letter to the committee stating that at its meeting on January 22, 1972, the board of directors of the Corporation for Public Broadcasting approved a proposed report favoring the enactment of H.R. 11807, a bill providing for improved financing for the Corporation for Public Broadcasting and for other purposes, introduced by Congressman Torbert H. Macdonald.

This decision was conveyed to the chairman of the House Interstate and Foreign Commerce Committee, Congressman Harley O. Staggers, in a letter dated January 22, 1972, signed by the president of the Corporation, John W. Macy, Jr. That really is the basis for my appearance before you.

It is, Mr. Chairman, as always, an honor to appear before you. I do so in my capacity as chairman of the board of directors of the Corporation, a position I have been privileged to hold since the Corporation's beginning in 1968. Although I speak personally in this account of stewardship, I think my comments represent fairly the sentiments of the 14 distinguished citizens, all presidentially appointed, confirmed by the Senate, with whom I serve on the CPB board.

It is important at the outset to make clear that the board of the Corporation is an active board. It is well informed and deeply involved in the matters of consideration now before you.

Interestingly enough—and I think this is important—while the backgrounds of the members are quite different in terms of political affiliation and experience, our fundamental attitude on the functions and directions of the Corporation has been remarkably uniform.

H.R. 11807, the legislation introduced by you, Mr. Chairman, is an important piece of legislation. At a time when the fiscal demands upon the Federal Government are growing to the alarm of many, this bill asks for a significant increase in expenditure for the relatively young enterprise that is public broadcasting. Further, at this time of demands for increased accountability on the part of all institutions, this legislation calls for a 5-year authorization of funds.

As a former Director of the Bureau of Budget, these factors weigh heavily in my mind, and I appreciate their significance, perhaps as few men outside the Congress do. Therefore, it is with a great deal of understanding of your position that I urge you to act favorably on H.R. 11807.

I urge you to this action because of my conviction that public broadcasting can represent one of America's biggest bargains and largest potential benefits.

Today, more than ever, the Nation needs to develop new modes of education if its wealth of human resources is to grow. It needs better education, and it needs it at lower cost. In this, public broadcasting can help.

We have seen public broadcasting already help bring this goal closer to reality through such programs as "Sesame Street" and "The Electric Company"; in such dramas as "The Andersonville Trial" and "The Wright Brothers"; in such thoughtful programs as "The Advocates" and "Book Beat"; in such innovative efforts as "The Turned-On Crisis," a series aimed at curbing drug abuse; and we see it every day in live, often complete, coverage of the deliberative process from local school board meetings to hearings right here on Capitol Hill.

The important point to be stressed is that these programs are very seldom to be found anywhere except on public broadcast channels or frequencies. It is true, then, that public broadcasting provides a unique service to the American people.

Public broadcasting has been helped to reach its current state of development by many elements of our society. It has, for example, received excellent support, financial and moral, from many commercial broadcasters on both the local and national level. In fact, the degree of cooperation between commercial and public broadcasters provides an outstanding example of how the profit and nonprofit sectors of our society can effectively work together for the common good. On both sides of this grouping there is recognition that the other fellow provides a distinct and useful service. Public broadcasting has also received excellent support from many of America's leading corporations and foundations, from government at all levels, and from the citizenry. The latter fact manifests itself in increased viewership and also in rising station membership. And we have, of course, received excellent support from this committee.

We believe we are now justified in asking your continued and increased support. To date, the Corporation for Public Broadcasting has received a total of $78 million from the Federal Government. This amount has seen us through the first 4 years of existence. But the stage of development of public broadcasting now requires that if the progress of this enterprise is to continue, we must receive increased assistance.

In my opinion, public broadcasting deserves this increased support chiefly on the basis of the results it has achieved with the funds invested to date. From the beginning, it was clear that the funding with which we had to operate was inadequate to meet completely all the tasks that Congress had outlined. It was clear that priorities would have to be set. The setting of these priorities was painful, for it was clear that they would benefit some elements of the public broadcast enterprise more than others. But the alternative was unacceptable, and that was to spread our limited resources so thin as to benefit really no one. This was an exercise in judgment but also, I believe, an exercise in fiscal responsibility.

In setting our priorities, we were guided by the express mandates laid out in the Public Broadcasting Act of 1967. I am happy to report to you that we have successfully and completely achieved one of the mandates and have made significant advances toward the achievement of all others.

Our most complete success has come in the establishment and development of interconnection and, with it, the development of systems of production of—to use the phrase of the act—"programs of high quality, obtained from diverse sources." I believe more than 23 different local stations this year provided the basis for such programing.

The effect of interconnection—through the Public Broadcasting Service and National Public Radio—has been to increase greatly the quality and choice of programing available to the local station and, through the station, to the viewing and listening public.

Concurrent with this action, we have engaged in various projects of direct financial support to the stations. The chief of these has been an annual program, now in its fourth year, of community service grants to stations. These grants are used to meet local station needs, as the station management sees fit. Our investment in this program to date has been $12 million. In addition, we have conducted various program production award projects and, on the radio side, projects for station improvement, development, and specialized production. Mr. Macy will later present you with a background paper detailing these activities.

Having reached one level of development, however, we are now reaching out to a crucial new stage. To guide us, we have developed a new set of priorities.

Leading this list is an increase in our financial support to local stations. We recognize that while establishment of interconnection has benefited all stations by increasing their programing inventory, there is a great need to provide the stations with more dollars to enable them better to serve strictly local needs through local programing. Given the universe of public broadcasting, comprising, as it does, some 219 television and 510 radio stations, it is clear that—even if the most generous funding is available to CPB—the dollars to each station can never approach the magnitude we would like to see. However, as proven by our experience so far, these funds can have great effect; they can provide the margin of difference between a station's performing merely good service or excellent service.

The board of directors has already resolved that any increase in funds CPB receives in fiscal year 1973 will be used largely for station support. Our goal for next year is to devote a minimum of 30 percent of our total budget to this end. This is the same percentage as recommended by H.R. 11807.

Our second priority as we look to the future is education. We want frankly to see more "Sesame Street's" and "Electric Company's" on public broadcasting, and we intend—if the dollar resources are made available to us—that this will be done. We want to see more, increasing, effort on the instructional efforts in public broadcasting.

For more than a year now, the CPB staff has been engaged in the research and development of a new program concept along these lines. The project is called the adult learning program service—ALPS. Its purpose is to raise the sights and skills of those millions of Americans who have not had the opportunity to complete high school. The need in this crucial area of adult education is painfully evident.

Let me say this has been under the guidance of an education committee which has been headed by Dr. Killian. Let me say that we have done as exhaustive a job of really researching and determining the thinking of the educational community as can be done. Whatever we do in this area, we have certainly laid the base for doing it well.

Further, we believe the efforts of the children's television workshop merit CPB's increased support, and we are currently developing positive programs in environmental education, in continuance of our antidrug effort, in helping Mexican Americans, and in teaching the rights and responsibilities of American citizenship.

Further, our list of priorities contains, among other things, important entries for technical research and development and for personnel development. In these areas, we intend to do our best to insure that the new communications mechanisms—cable, satellites, cassettes, and so forth—are used for the highest purpose. And we intend to develop as much skilled and talented manpower within the industry as it takes to provide the American people with the kind of programing of quality and diversity that is your mandate.

We are all too aware that too often the hardware aspects of an activity tend to get the upper hand over the human side. We do not intend to let that happen in public broadcasting.

Simultaneously, of course, we will attempt to provide the public not just with the high caliber of public broadcast programing they have grown used to, but programing of increasing quality. Last month, for example, a new program by and for children from 8 to 12 called "Zoom," produced by the excellent Boston station WGBH, made its premiere on public television. It has met an excellent response—among children, parents, and reviewers alike—and, in its first 3 weeks, more than 20,000 letters have been sent by young viewers to the station.

This, I believe, is the kind of meaningful, worthwhile programing that the Congress intended for us to foster. And it is the kind of programing which we vow to continue to provide in the future.

The virtue of H.R. 11807 lies not just in the fact that it would provide public broadcasting the right funds to pursue a careful, measured growth. It resides also in the multiyear approach. All of the program projects I have mentioned cannot be conceived and executed in the course of a year; they require leadtime for planning and research and careful assembly of the production elements.

Successful institutions are those which plan an orderly and well-conceived growth over a period of time. The bill under consideration would permit this type of programing with an increase in quality and more efficient use of public funds. It would be a giant step toward fulfillment of the goals established by the Public Broadcasting Act of 1967.

I urge you during this hearing to examine carefully the record of public broadcasting. When you do, I am convinced that you will come to share my belief that this has been a sound and responsible record and one that justifies your continued support.

Mr. Chairman, if I may indulge the time of the committee, I had hoped that Dr. James Killian would be with us. Dr. Killian brings to this board not only a distinguished background in the educational and governmental field but brings to it also a continuity of understanding of public broadcasting that is shared possibly only by Mrs. Hobby.

Because he chaired the original Carnegie Committee, because he has been vice chairman and responsible for the actions of the board, along with the other 14 members, I felt his presence here would be useful. Unfortunately, Dr. Killian is in California and cannot be with us. I wonder if the chairman would indulge me in the privilege of reading his rather brief statement.

Mr. MACDONALD. I think it might be inserted in the record. I am sure that could be done.

Mr. PACE. Could I merely say, then, because I think it is important, more than just for the record, the committee should know that Dr. Killian in his statement, with great care—and he wrote this personally, himself—has stated that he has been responsive to the action of this board of directors over a period of 4 years, that he has played a role in the determination of where this has been carried, and that he endorses those steps that have been taken without any hesitation, and that he would like that to be in the record as that comes before this committee.

I make that point, Mr. Chairman, only because I believe Dr. Killian's assessment of this is very important. He does, of course, endorse the principles of the bill that we are considering.

Mr. MACDONALD. I am sure all members of the subcommittee and full committee will read his remarks with great care.

Mr. BROWN. Mr. Chairman, in that connection, would it be possible for us to get copies of Dr. Killian's statement?

Mr. Pace. It will be inserted in the record. Would you like them now?

Mr. Brown. It would help us.

Mr. Macdonald. Does the gentleman from Ohio make a request?

Mr. Brown. Yes, sir. I made the request whether it would be possible to get copies. But since I have now received a copy, I withdraw the request.

(Mr. Killian's prepared statement follows:)

STATEMENT OF DR. JAMES R. KILLIAN, JR., MEMBER OF THE BOARD, CORPORATION FOR PUBLIC BROADCASTING

My first appearance before the Committee was in 1967 when I spoke as Chairman of the Carnegie Commission on Educational Television. I appreciate this opportunity five years later to present my personal views on the progress which public television has made since the Carnegie Commission's report was published and acted upon by the Congress. While the views I present are personal they. of course, reflect my experiences with the Carnegie Commission and subsequently as a member of the Board for the Corporation for Public Broadcasting.

I expressly welcome this opportunity to express my views on H.R. 11807, the bill introduced by the Hon. Torbert Macdonald, to expand and improve the financing for the Corporation for Public Broadcasting.

In taking the report of the Carnegie Commission as a benchmark I hasten to emphasize that I recognize that many conditions have changed since that report and I do not presume to use its recommendations as necessarily being wholly relevant today but it does provide a basis for measuring progress.

In my view public broadcasting has moved ahead steadily in the spirit of the Carnegie Commission recommendations and in accord with the wise provisions of the Public Broadcasting Act. As the Commission said in its report the Corporation would have to be an evolving institution, an institution new in our society, and would have to shape itself as it grew in experience. It was not expected that the Corporation or the system would solve all of their problems and come to maturity at once, nor indeed have they. But I have been immensely encouraged by their steady progress and growth.

Some of the most difficult problems now confronting the Corporation have been the inevitable results of progress and solid achievement. The number of local stations has increased by more than 50, interconnection is available and the greater quality and diversity of programs are attracting many new specialized audiences (which in the aggregate are steadily growing larger). Progress has been made in carrying out almost every recommendation of the Carnegie Commission save one which I shall comment upon later.

As the system has commanded greater notice and attention its policies and programs have prompted healthy public debate—as public broadcasting should. Some groups have criticized the Corporation for not exercising enough control over the content and kinds of programs. Other groups have criticized the Corporation for exercising too much centralized control. Confronted with these contradictory criticisms, the Corporation has sought to weigh the differing view of all parties to bring into compatible relationship balance. fairness and objectivity and freedom of expression and creativity. At all times the Corporation has sought to honor the autonomy, independence and diversity of local stations while evolving those guidelines and leadership principles which are its corporate responsibility under the Public Broadcasting Act. In financing the interconnection which the system must have to be effective the Corporation has been acutely aware that networking is undesirable but because of the lack of funds it has not been able to provide the copious cafeteria of programs envisioned by the Carnegie Commission from which local stations might make selections. Instead and with its policies shaped by representatives of local stations PBS must be selective in scheduling programs for the limited number of interconnected hours available. Moreover many local stations do not have the equipment to permit them to record and store programs for later broadcasting.

Even with limited resources the system has achieved a far greater degree of diversity in program production than existed before the Public Broadcasting Act. Under the leadership of the Corporation public broadcasting has kept steadily before it the ideal of diversity, of catering to the diversities in American life instead of the uniformities.

In the spirit of the Carnegie Commission's Report, the Corporation has not drawn back from funding objective public affairs programming which it believes to be an essential part of diversified public broadcasting for which there is a clear demand by local stations. At the same time it has been acutely sensitive to the requirements of fairness and balance and to the difficulties of meeting these requirements. There are many different independent agencies involved in public broadcasting. As I see it the goal would be to cultivate that self-discipline in all parts of the system that achieves freedom within a framework of discipline and that achieves fairness and balance without censorship. It is my observation that the Corporation has been diligent in seeking to thread its way responsibly in the great traditions of free speech to achieve sound policies for public affairs broadcasting.

Let me cite one present achievement in programming and one great potential opportunity for public television. Competent judges now emphasize that public television is carrying a constellation of children's programs unmatched by any other system in the world. The combination of Mister Rogers Neighborhood, Zoom, Sesame Street and the Electric Company represent a breakthrough in giving our children the programs they deserve. This breakthrough, by showing that it can be done, will have profound beneficial effects on the programs for children presented by the commercial systems. This is an example of the way in which free public broadcasting can help in improving the programming of all broadcasting. Thus one of the recommendations of the Carnegie Commission is being achieved.

In my judgment the next great opportunity to be embraced by public television is to develop and demonstrate new modes of education—"classrooms without walls"—for people in all walks of life and I am encouraged by the plans which are now being developed. Speaking as an educator and as Chairman of the Education Committee of the Corporation I believe that public broadcasting has made significant strides toward use of public radio and television to assist on a greatly efficient cost-effectiveness basis in bringing education to the American people. The techniques used by the Corporation for Public Broadcasting financed drug education program, The Turned on Crisis, demonstrated a potential in this kind of programming. Under development now within the staff of the Corporation is another project of great promise, a project to develop an Adult Learning Program Service that holds a potential of doing in continuing education beyond formal school what Sesame Street and the Electric Company have done for young learners.

Projects like these, it must be noted, require abundant lead time and a continuity of development that emphasize the importance and the necessity of multi-year authorization of funds for the Corporation.

I come now to those recommendations of the Carnegie Commission on financing the Corporation. The appropriations of federal funds so far have fallen far short of the Carnegie Commission proposals.

When they studied the financing of educational television in 1966 the members of the Carnegie Commission concluded that the Corporation would need as a basic minimum an annual budget of $56 million during the first four years if its contribution to the improvement of the system was to be meaningful. The Carnegie Commission did not envision the Corporation as having responsibility for public radio (a responsibility appropriately added by the Congress) and supplementing this annual $56 million, we saw the need for the Department of Health, Education, and Welfare to provide funds in direct support of local station operations. The reality of the situation during CPB's first four years has fallen short of these estimates. In place of the expected $56 million annually, CPB has received annual appropriations of $5 million, $15 million, $23 million and $35 million, constituting an overall average below $20 million a year.

The achievement of a fully effective system of public broadcasting in my judgment will not be possible unless we achieve not only an adequate level of funding but some mechanism providing that this level will be continued and will grow according to some assured pattern. H. R. 11807 speaks to both these needs and in doing so it provides a significant next step for public broadcasting to pursue its growth potential. I therefore strongly support this legislation and urge the Committee to pass favorably on it.

Not only is it necessary to have some assured and continuing funding arrangement but it is also vital in my judgment that a method be devised that insures the independence of the Corporation and the system. The Carnegie Commission proposed a dedicated tax and a trust fund but it gave particular emphasis to the importance of a trust fund held in the Treasury for use in carrying out the specified purposes of public broadcasting. Such a mechanism maintains the ultimate Congressional control over the use of public funds but permits the funds to be disbursed outside the usual budgeting and appropriation procedures. It was the view of the Carnegie Commission and I still strongly support this view that the trust fund and the Corporation are jointly essential to the insulation of public broadcasting from the dangers of political control. At the same time the trust fund arrangement enables Congress to retain the power to terminate the arrangement at any time. Its ultimate control over the expenditure of public funds is not impaired.

What we presently seek is freedom for public television from the pressures of inadequate funds which makes it difficult for it to do its full job and recognize its full potential.

I also strongly support the provisions in H.R. 11807 which provide that 30 percent of the federal funds appropriated to the Corporation will be made available to local stations on a selective basis. It is clear that we are at a point in the development of the system where the Corporation must provide additional funds to strengthen the programming of local stations and I hope very much that we will have the opportunity to do this not automatically but selectively to assist local stations to enhance their services to their communities.

Mr. PACE. May I take only 1 more minute, Mr. Chairman, to say that when one talks about the board of a corporation, it is a relatively faceless board. I would like to take 1 minute of your time to describe the qualities of this board.

I start with Mrs. Oveta Hobby, who was not only a distinguished member of the Cabinet under President Eisenhower but also served as a member of the Carnegie Commission and is one of the most distinguished publishers in this country. She has served on the board during this entire period.

Dr. Zelma George, who is also a feminine member of the board, is a very distinguished person in the field of culture and public affairs.

Robert Benjamin and Jack Valenti have broad experience in the motion picture field which relates directly to our operation.

Saul Haas has operated one of the most effective commercial television stations in the whole Northwest.

Jack Wrather has had broad experience in commercial television as well as in business.

Tom Moore was one of the key men in the ABC operation and now holds a top position with the General Electric Co.

Frank Schooley, who will testify here, brings to us the experience of a station manager as well as a member of the board.

Mike Gammino, a distinguished banker, has been closely connected with the local station in Providence.

Joe Beirne, with his broad connections with labor, where he is indeed respected and admired, identifies the requirements of the ordinary man and woman in public broadcasting.

From the point of view of fiscal responsibility, we have, as head of the finance committee, Joe Hughes, to whom the Mellon Foundation chose to entrust their interests.

Al Cole, fiscal head of Reader's Digest for many years, has worked intimately with the problems of our board.

Jack Whitney, whose distinctions in the broadcasting field, as well as publishing field, are well known.

And Jim Killian, whom I have previously described.

This is not a faceless board. This is a board with broad experience in national requirements and human values. I believe, in every facet of this operation, it has the background and characteristics this committee can afford to endorse.

Thank you, Mr. Chairman.

Mr. MACDONALD. We thank you, Mr. Secretary.

We will now hear from Mr. Macy or Mr. Schooley.

STATEMENT OF FRANK E. SCHOOLEY

Mr. SCHOOLEY. Mr. Chairman and members of the committee, I speak to you today both as a member of the board of directors of the Corporation for Public Broadcasting and as the manager of WILL radio and television, the stations of the University of Illinois.

Mr. Chairman, I have engaged in public broadcasting for more than four decades. During 5 different years, I served as president of the National Association of Educational Broadcasters.

I mention this because I believe that the opportunity both to help direct the overall system of public broadcasting in this country and to manage stations serving east central Illinois, give me a valuable perspective.

I have voted in favor of general support grants for public television stations and I am keenly aware that individual stations could have used more money. But as a member of the board of directors of the Corporation, I was also acutely aware of the limited funds and the competing demands upon them.

I have been in at the beginning of the Public Broadcasting Service, and each day at WILL we have the opportunity to make use of the programs transmitted by the interconnection.

I was present, too, for the beginning of National Public Radio, and WILL not only is pleased to carry the programs of this service; we are proud to contribute to these programs.

I have shared the frustration of other station managers when the system of public broadcasting has shown its imperfections, and I have worked with the rest of the board of directors and the staff of the Corporation to iron them out.

Mr. Chairman, public broadcasting has come very far indeed since the earliest days of educational radio or even educational television.

The legislation of this Congress—and the legislation of the State of Illinois—are clear in the main point: The public broadcasting stations are to serve the people.

In the bill before you, you have an opportunity to place in the hands of public broadcasting the resources which are badly needed. Speaking both as a station manager and as a member of the CPB board, I urge favorable action on this bill.

Previously passed legislation has recognized that the Corporation for Public Broadcasting is the proper organization to guide the continuing development of public radio and television in this country. As a station manager, I have been pleased with the direction which the Corporation has given noncommercial broadcasting, both radio and television.

Unless the Corporation for Public Broadcasting is to become simply an office of bookkeepers who trace the comings and goings of funds, it is necessary to entrust CPB with the task of directing the progress of this noble undertaking.

The relations between the individual stations and the Corporation have not been without disagreements, but we have worked in a spirit of mutual trust and with a common goal—to bring quality public radio and television into the homes of the Nation—and, contrary to some reports, there is a very considerable agreement between the various elements of public broadcasting.

I would urge you to look at the record of service of public broadcasting, to look at the programs on public television, and to listen to public radio, and to then give us your assistance to continue the effort which is well underway: quality public broadcasting.

I believe the legislation you are now considering would make a very substantial contribution to this effort. Thank you, Mr. Chairman.

Mr. MACDONALD. Thank you, sir.

Our next witness on the panel is Mr. Macy.

STATEMENT OF JOHN W. MACY, JR.

Mr. MACY. Mr. Chairman, before I open my statement, I would like to acknowledge the fact that you invited Mr. Joseph Bierne, another member of the board, to appear. He had planned to be here, but he has some labor negotiation problems in New York that preempted this effort.

Mr. MACDONALD. We welcome you again.

Mr. MACY. Thank you very much, Mr. Chairman and members of the committee. I appreciate the opportunity to testify in support of Chairman Macdonald's bill, H.R. 11807. I am aware, of course, of the bill introduced by Congressman Tiernan, H.R. 7443, which is directed toward a purpose similar to the chairman's bill. Both deal with the vital problem of financing public broadcasting. My remarks will be equally applicable to both. But I am focusing my attention on Chairman Macdonald's bill, H.R. 11807.

The Corporation views this bill as constituting a major step toward improved financing of public broadcasting. Provision of a higher level of funding on an assured basis for a multiyear period is essential to fulfill the purposes of the Public Broadcasting Act of 1967. The development of such funding conditions in behalf of the entire public-broadcasting enterprise is a major goal of the Corporation.

You have heard the statements of Mr. Pace and Mr. Schooley. They have spoken in the main about the activities the Corporation has pursued to date in seeking to fulfill its mandate from the Congress. In an attachment to my statement, I am making available to you some background information on these recent activities. I will be happy to answer any questions you may have concerning the record of the Corporation during the past 3 years. But I believe the cause of these hearings will be better served if I focus my remarks on the activities the Corporation will pursue if H.R. 11807 becomes law and greater resources are made available to public broadcasting.

When the Public Broadcasting Act of 1967 was enacted, it was generally recognized that a bold new venture had begun to develop more fully the public service potential of television and radio. A new kind of organization, without previous prototype, independent by law but receiving most of its funds from the Federal Government, was created, an organization to function between the public and private sector. That organization was the Corporation for Public Broadcasting. Some persons believed this arrangement could not work; others, even some supporters, had doubts.

Mr. Chairman, I come before you and your colleagues today to say that there need no longer be any argument. The idea behind the Corporation has worked. In less than 4 short years, and with, by any national standards, a limited investment, public broadcasting has been able to prove it is capable of making a significant contribution to the well-being of this Nation. I will not belabor the evidence, for that evidence is displayed on every public broadcast channel and frequency every day.

In less than 4 short years, a new kind of broadcasting enterprise has grown and proven itself—a broadcasting enterprise unlike its commercial counterparts in this country and unlike any foreign broadcasting organization with ties to Government.

The Corporation, when it was given its leadership mandate in 1967, faced many differing conditions:

—It was to help guide the future of a system composed of local, autonomous, and very independent stations—stations rightfully proud of their prerogatives both by conviction and by the requirements of the Communications Act of 1934.

—It was to promote balance and objectivity in programing—by mandate of the act—while specifically being prohibited—again by the act—from owning production and distribution facilities for programing.

—And it was to perform a catalog of tasks, some with different purposes, such as establishment of interconnection for the distribution of national programs and aid to stations to augment local program, all on a very limited budget.

In short, the Corporation was given a great deal of responsibility, a limited amount of authority and even more limited resources.

Yet, in spite of these handicaps, I strongly maintain that the concept of the Corporation and of Federal support of public broadcasting has worked, that it will continue to work, and that it deserves your support.

Because public broadcasting is comprised of independent stations, much of its direction is evolved by common consent, or when common consent is lacking, by consensus. This is not necessarily a neat and orderly way to do business, but it is the democratic way.

The result is a very complex system, with many alphabetical entities, with dispersed authority and an abundance of stresses and strains. Yet the result has also been some of the most rewarding and innovative programing this Nation has witnessed.

Within public broadcasting, we pay special homage to the first amendment and to the right of diverse thinkers to produce diverse programing. And as a result, a debate between freedom and discipline constantly rages within our ranks, and one man's balance is viewed by another as bias. And while our conflicts of the mind continue, a vying for the limited dollars available ensues.

Within this system, total satisfaction is not possible, and continuous debate is inevitable.

Yet despite all this, I say this system is workable. It is as workable as any free communications system within a free society can be. It is a system that sometimes creates tension and confusion but which increasingly creates quality. And this is as it should be.

And since this enterprise is public—belongs to the people—open debate, even controversy about it, should be expected. Some may bemoan this fact, but it is my belief that debate is healthy and is the root of progress.

Many of the difficulties that now exist can be resolved—and they will be. A new partnership among the entities of public broadcasting is evolving. At the direction of the CPB board, a careful examination is being made, with the representatives of the entities of public broadcasting, of the various relationships within the industry to see how they can be improved. Further, we are in constant pursuit of standards of fairness and balance that will honor both the integrity of the producer and our audience.

Improvement is only possible if public broadcasting can begin to operate on a budget more nearly suited to the requirements that reflect its potential for public service.

The chairman's bill tackles many of the basic problems that have concerned Congress, particularly the House, since the first consideration that led to the Public Broadcasting Act of 1967 and the creation of the Corporation.

The bill establishes a "Public Broadcasting Fund," a step of far-reaching importance. Such a fund provides the means for consolidating, controlling, and distributing funds from a variety of sources that might be authorized by Congress in this or subsequent legislative acts. For example, the provision of a tax or charge at a later date would, the Corporation believes, be facilitated if the administrative arrangements such as those provided by the fund were already available.

The bill faces the fact that public broadcasting requires a predictable amount of Federal funding in order to operate effectively.

It faces the fact that Federal support must be on an adequate scale to serve the whole public and the fact that programs must be of sufficiently high quality to be worthy of the time and attention of the public.

It also reflects the concern that Federal funding should not replace funds from other sources but rather that Federal funding should be in some proportion to the support given to local stations by State and local governments and by individuals and groups in the community.

Although we still believe that some type of permanent financing for public broadcasting is necessary, H.R. 11807 offers a major step toward that goal by providing a substantial improvement over the annual appropriation process of the past 4 years.

I cannot stress enough the importance of public broadcasting's knowing where its next year's dollars will come from. As any broadcast producer will testify, a lead-time period of 18 to 24 months is imperative to the successful development and production of an original program series. Yet public broadcasting has been forced too often to operate on lead times approaching only a small fraction of this. Further, any manager of any enterprise will attest to the necessity of having the ability to plan ahead with the assurance the proper resources will be available.

During the past 4 years, public broadcasting has developed a precious momentum. This momentum is a very perishable commodity; it cannot be stored away and preserved. If broken, it will be exceedingly difficult to revive. Further, if public broadcasting is to rise to its full potential, it clearly needs to be freed of all potential of outside interference, and this freedom cannot exist in an insecure financial atmosphere.

Let me now be specific as to how, if given the assurance of the funds proposed by H.R. 11807, this public broadcasting enterprise would employ such resources.

H.R. 11807

H.R. 11807 provides funds for each of the 5 fiscal years beginning with 1973. The total annual payment is the sum of two elements: (1) a definite amount for each of the years, specifically $35 million in 1973, $40 million in 1974, and $50 million for each of the remaining 3 years; and (2) a Federal payment equal in amount to one-half of the total, unduplicated non-Federal funding received by the public broadcasting system as a whole.

Further, the bill provides that, notwithstanding the amounts representing the sum of these two elements, the maximum payment in each year is fixed. The maximum payment in 1973 is $65 million; in 1974, $90 million; in 1975, $120 million; in 1976, $140 million; in 1977, $160 million.

We have estimated the amount of the Federal payment in each year based on the formula in the bill and estimated projections of non-Federal income and find that in the years 1973 to 1976 the formula produces a sum greater than the maximum allowable. We therefore have based our planning on the maximum established for each of those 4 years. In 1977, according to the estimates, the application of the formula produces an amount less than the maximum of $160 million, and therefore that lesser amount is used.

In each of the 5 years, we assume a continuation and growth of non-Federal funding. In combination, the Federal payment and our estimate of non-Federal contributions yield the following financing available:

	Millions
1973	$70.4
1974	95.0
1975	126.0
1976	147.0
1977	153.5

1973 PLAN

H.R. 11807 stipulates that 30 percent of the Federal payment in each year shall be made available to the radio and television stations for the purpose of strengthening the operations of those stations to serve their communities better. The actual pattern of distribution to the stations would be determined annually by the Corporation in consultation with station representatives and accordance with objectives set forth in the bill. Given the $65 million in the form of a Federal payment, 30 percent would be $19.5 million, which we have rounded to $20 million.

Total financing in 1973—Federal plus non-Federal grants and contributions—of $70 million represents an increase of $32 million over the current fiscal year. Community service grants in 1972 total just under $6 million, and thus the application of $20 million for this purpose in 1973 represents an increase of $14 million, or about 44 percent of the total increase.

In our view, this is an essential and desirable move to make.

Until this time the necessity for establishing a core of national programs and a system of national program distribution required a disproportionate amount of the limited funds available. Our planning has always assumed that once these basic services were in place—and they had to be undertaken on a "go or no-go" basis—increases in funding would be applied to additional station support as a top priority.

We do not plan to expand the national distribution services for television in 1973. The service will consist of 10 hours of transmission in the daytime for children's programs and 13 hours at night, for a total of 23 hours a week.

We do, however, intend to apply $14.6 million of the increased funds available to us to television activities, principally in order to increase the Corporation's share of the total funding that will be required for production of special education projects, increased payment to the Children's Television Workshop, producers of "Sesame Street" and "The Electric Company," and augmentation of the funds available for the production of programs by stations throughout the country for the national schedule. This increase is required to cover a mandatory increase of $1 million in the amount we pay the telephone company for interconnection facilities to serve 110 points. This amount has been fixed by the Federal Communications Commission. Under FCC requirements, an increased payment of $1 million will be made to the telephone company for the 110-point interconnection system for television on an annual basis. These payments will rise $1 million a year until the full amount of $4.9 million is reached in 1975. In 1973, the total to be paid is $3 million.

The increase for community service grants and the television activities accounts for $28.6 million out of the $32 million available. The remainder is applied to the development of the radio system to keep pace with the growing number of qualified stations capable of providing a community service and for enlarged support activities, principally for research and development projects and for training personnel in radio and television stations throughout the country, as mentioned in Mr. Pace's statement.

LONGER RANGE DEVELOPMENTS

Our plans for subsequent years implement three main purposes.

First, a continuation of the development of station support. With an estimated Federal payment of $145.5 million in 1977, application of the 30 percent formula yields $43.65 million available for station support. We round this amount upward to $45 million for this purpose in 1977.

Second, we plan to provide increased funds for public television, primarily to make available alternate programs for television station use, to increase the quality of programs, to keep pace with rising costs, and to replace outside funding that is likely to diminish.

A word is in order to describe the need for alternate programing. One of the Corporation's goals is to decrease the stations' dependence on programs transmitted as part of the regularly scheduled interconnection. By receiving alternate programing, the station manager has a wider range of choice in determining which programs to transmit to his audience and has greater options regarding how much nonlocal programing to transmit.

In line with this policy, the Corporation plans only a small increase in the number of hours per week of regularly scheduled interconnection service programs—from 23 hours a week in 1973 to 27 hours a week in 1977. At the same time, preliminary plans for 1977 call for an additional 29 hours a week of alternate programing, produced by national production centers and by local stations or regional networks.

This will not only give the local station manager a greater choice of program offerings but will enable more stations to have their production work distributed throughout the system by means of the interconnection. Such alternate program services will advance the system toward the objectives of greater diversity of program source and content and of broader choice in program selection by stations in order to meet local needs and interests.

Third, we plan more complete development of activity mandated in the 1967 act, principally in research and development and in demonstration of improved techniques; training for the purpose of developing the skills and capability of public broadcasting personnel; and programs for increasing public awareness and understanding. The objective is to strengthen and improve the system as a whole. In pursuit of this same purpose, we also plan further development of planning, research, and evaluation capabilities so as to develop the information with which to guide application of cable, satellite, and cassette technologies to the purposes of public broadcasting.

In conclusion, Mr. Chairman, I wish to thank you and the members of this committee for this opportunity to air the facts of our position. We in public broadcasting believe that your bill will go a long way toward completing the major unfinished business of the Public Broadcasting Act of 1967—the achievement of permanent financing. While H.R. 11807 does not provide a permanent arrangement, it would provide the means and the climate for public broadcasting to continue its growth and to prove its worth to the American people. I urge its enactment. Thank you.

(Attachments A and B to Mr. Macy's statement follow:)

ATTACHMENT A

CORPORATION FOR PUBLIC BROADCASTING—BUDGET ESTIMATES, 1973–77

1. FINANCING

H.R. 11807 provides that Federal payments to the Corporation during the five years beginning with FY 1973 shall consist of two parts: (1) A definite amount of $35 million in 1973, $40 million in 1974, and $50 million for each of the next three fiscal years, and (2) An amount equal to one-half of the total of non-

Federal funds received by the public radio and television systems as a whole. H.R. 11807 further stipulates that the total Federal payment shall not exceed certain specified amounts. The maximum payment for 1973 is $65 million; for 1974, $90 million; for 1975, $120 million; for 1976, $140 million; and for 1977, $160 million.

Precise estimates of the amounts of the Federal matching payments cannot be made. Preliminary estimates indicate that for the years 1973 through 1976, the definite amount plus the matching amount would exceed the maximum allowable. In 1977 the sum of the definite and matching payments is estimated to be less than the maximum stipulated in the bill, and therefore the smaller amount has been used for planning purposes.

The Corporation anticipates a continuation of non-Federal grants and contributions, which will be available to augment the Federal payments. A summary of total financing available for 1971 and 1972, together with estimates for the five-year period beginning in 1973, is shown in Table 1.

2. BUDGET ESTIMATES

Table 2 summarizes the budgets for activities in the period 1971 through 1977. For the same period, Table 3 provides a percentage analysis.

In accordance with H.R. 11807, not less than 30 percent of the Federal payment in each year starting with 1973 is provided for community service grants to the local radio and television stations. By 1977, the amount for this purpose is $45 million (Line IV, Table 2).

At its outset, the Corporation established a core service for the production and distribution of television programs. By 1977, increases that are provided during the interim period are mainly for the purpose of increasing the investment in special education projects and an increase in the number of separate production sources that are utilized in order to provide greater diversity. Increases are also necessary to meet the anticipated rise in cost levels and to replace an expected reduction in support provided by the Ford Foundation.

Budgets for the production and distribution of radio programs are increased throughout the five-year period at a pace believed to be in step with the ability of the public radio system to expand its services effectively (Line II, Table 2).

Budgets for planning, research and evaluation, although relatively small in total, are increased sharply in the expectation that effective utilization of emerging technologies will greatly increase the Corporation's responsibility in new areas of activity (Line III, Table 2).

In addition to community service grants, the Corporation undertakes, presently on a small scale, a variety of other support activities. Given the financing provided by H.R. 11807, the Corporation is enabled to fulfill the requirements in the Public Broadcasting Act by augmenting its efforts for improving the quality of public broadcasting by research, development, and demonstrations; by training for the purpose of developing the skills and capabilities of personnel in the system; by augmenting efforts to increase public awareness and understanding (Line IV, other, Table 2).

Although some increases in administrative support are seen as necessary as the scale of operations increases, the amount required for administrative support represents a constantly declining proportion of the total.

3. 1973 BUDGET

Programs for Public Television, $38,000,000 (Line I, Table 2)

Of the total, $28 million is required for program production and $10 million for program distribution.

Of the $10 million for program distribution, $3 million is required for payment of line charges at rates set by the Federal Communications Commission, $300 thousand is required for line charges paid to non-Bell companies, and the remaining $6.7 million is required to cover the costs of program origination, time delays, tape operations, scheduling, and promotion.

Planned program distribution consists of interconnected service ten hours a week during the daytime and thirteen hours a week at nighttime and on Sunday for a total of 23 hours per week. This schedule provide 1,196 hours of transmission for the year as a whole. Approximately 900 hours of programs (new program production or acquisition) are required for the 1,196 hours of transmission. Of the $28 million for program production, $5 million is planned for special education projects. The Adult Learning Program Service (ALPS) is presently near completion of its second phase. Assuming the project is approved for further development, substantial funds will be required for program production. The anticipation is that the Corporation budgeted $5 million will be augmented by outside funding.

Programs for Public Radio, $4,000,000 (Line II, Table 2)

Of the total available, $2.9 million is required for program production and $1.1 million for program distribution, including tape distribution as well as interconnection.

The 1973 plan is based on an average of 31 hours of interconnection time per week serving 120 qualified radio stations at the beginning of the year and 140 qualified stations by the end of the year. The annual total of 1,612 hours of transmission requires approximately 1,100 hours of program production by National Public Radio augmented by selections from 7,200 hours of programs estimated to be produced by stations for local and regional use.

Tape program services will consist of 412 hours of material distributed to 220 stations both qualified and non-qualified

Planning, Research and Evaluation, $1,000,000 (Line III, Table 2)

Of the total, $125 thousand is required for operation of the management system, which produces data necessary for planning purposes; $625 thousand for research including communications research, audience research, and specialized research necessary for the planning and evaluation of special education projects; and $250 thousand for engineering and development, which is concerned with analyzing and planning the application of new technologies including CATV, satellites, and cassettes.

Development and Support, $24,000,000 (Line IV, Table 2)

This activity breaks into three principal parts:

Improved quality	$500,000
Support station operations	21,455,000
Develop awareness and understanding	2,045,000

Activities for improving quality consist of support of experimental centers for radio and television and a joint project with the National Endowment of the Arts.

The principal activity in support of station operations consists of the Community Service Grant Program, which in 1973 will require $17 million for television station grants and $3 million for radio station grants. The other principal activity in this sub-group consists of $1 million for further development of training programs for personnel in radio and TV stations.

The budget for developing awareness and understanding consists principally of $1,750 for advertising and promotion of national programs distributed by PBS and NPR.

Administrative Support, $3,000,000 (Line V, Table 2)

The total amount required consists of $1,845,000 for personal services, $30,000 for expenses of the Board of Directors, of $175,000 for legal, auditing, and other professional services; and $950,000 for logistical support including rent and utilities, travel and transportation, equipment and supplies.

4. INCREASES IN SUBSEQUENT YEARS (TABLE 2)

Programs for Public Television

Increases are provided primarily in order to (1) expand the availability of alternate programs in order to decrease a station's dependence on programs transmitted by scheduled interconnection and (2) expand special education projects.

Increases are also required in order to improve the quality of production, keep pace with rising cost trends, and replace outside funding for programs that is likely to diminish.

By 1977 the present planned interconnection service will be increased from 23 hours per week to 27 hours a week. By that time an estimated 29 hours a week of alternate programs will also be transmitted by interconnection enabling more stations producing programs to have their material distributed and the enlargement of the pool of programs from which each station selects its service.

Programs for Public Radio

Increases are provided in order to keep pace with the anticipated development of public radio. Upgrading of existing stations so that they are capable of providing a consistent service of high quality to the public is expected to take place steadily. In addition the creation of stations in communities now without full service, particularly in the top 100 markets, is a high priority objective. As additional stations attain the necessary operational levels and as their hours of broadcasting increase, the Corporation's budgets are adjusted so as to support the production and distribution of necessary programs.

By 1977 an estimated 225 to 250 stations will be capable of effectively utilizing 38 hours of interconnected programs per week. Also 300 stations are estimated to require 590 hours of programs distributed by tape.

Planning, Research and Evaluation

Increases averaging $1 million a year during the five-year period are required in order to maintain the necessary competency and provide leadership for the industry in adapting to new technology. A substantial part of the increase is applied to communications research for the purpose of obtaining a better understanding of the communications process, impact on viewers and listeners as a result of receiving public broadcasts, and evaluation of both programs and organizational operation.

Development and Support

Increases are required principally in order to maintain the support of stations in their conduct of community service at the level of 30% or more of the Federal funds received by the Corporation.

In addition, increases are provided for increasing efforts to develop public awareness of programs broadcast by public stations to keep pace with growing populations, number of stations, and number of program offerings.

By 1977, direct station support will require $45 million and all other support activities will require $8 million.

Administrative Support

By 1977, the cost of administrative support is estimated to be $6 million. The need to enlarge the staff with consequent proportionate increases in other administrative costs follows from the enlargement of the scope and scale of the Corporation's activities. This administrative support amounts to only 3.9 percent of the total budget in 1977.

TABLE 1

[Amounts in thousands]

	1971 actual	1972 estimate	1973 estimate	1974 estimate	1975 estimate	1976 estimate	1977 estimate
Financing:							
Federal appropriations:							
Definite	$20,000	$30,000	$35,000	$40,000	$50,000	$50,000	$50,000
Matching	3,000	5,000	83,400	87,700	90,500	93,000	95,500
Total Federal appropriation	23,000	35,000	[1] 65,000	[1] 90,000	[1] 120,000	[1] 140,000	145,500
Federal grants, contracts	711	361					
Non-Federal	5,347	[2] 3,580	[2] 3,400	5,000	6,000	7,000	8,000
Carryover from prior year	1,128	2,240	2,000				
Total financing	30,186	41,181	70,400	95,000	126,000	147,000	153,500

[1] Total Federal appropriation shown is maximum allowable in H.R. 11807.

[2] Excludes receipts applying to prior year expense.

TABLE 2

[Amounts in thousands]

	1971 actual	1972 estimate	1973 estimate	1974 estimate	1975 estimate	1976 estimate	1977 estimate
I. Programs for public TV:							
Production	$9, 672	$15, 230	$28, 000	$36, 150	$54, 400	$60, 700	$62, 000
Distribution (PBS)	6, 885	8, 181	10, 000	12, 000	13, 000	14, 000	15, 000
Subtotal	16, 557	23, 411	38, 000	48, 150	67, 500	74, 700	77, 000
II. Programs for public radio:							
Production, NPR	970	1, 827	1, 000	2, 800	4, 000	5, 500	6, 000
Production, stations	108	497	900	1, 300	2, 300	3, 000	3, 550
Distribution (NPR)	175	745	1, 100	1, 400	1, 700	2, 200	2, 450
Subtotal	1, 253	3, 068	4, 000	5, 500	8, 000	10, 700	12, 000
III. Planning, research, evaluation	374	750	1, 000	1, 750	2, 800	4, 000	5, 000
IV. Development and support:							
Community service (grants)	4, 000	5, 995	10, 000	30, 000	36, 000	44, 500	45, 000
All other	3, 386	2, 198	4, 000	6, 000	75, 00	8, 000	8, 000
Subtotal	7, 386	8, 193	24, 000	36, 000	43, 500	52, 500	53, 000
V. Administrative support	2, 237	2, 176	3, 000	3, 600	4, 300	5, 100	6, 000
Total program	27, 607	37, 598	70, 000	95, 000	126, 000	147, 000	153, 000

TABLE 3.—PERCENTAGE ANALYSIS

	1971	1972	1973	1974	1975	1976	1977
I. Programs for public TV	60. 9	62. 3	54. 3	50. 7	53. 6	50. 8	50. 3
II. Programs for public radio	4. 5	8. 2	5. 7	5. 8	6. 3	7. 3	7. 8
III. Planning, research, evaluation	1. 3	2. 0	1. 4	1. 8	2. 2	2. 7	3. 3
IV. Development and support	26. 6	21. 7	34. 3	37. 9	34. 5	35. 7	34. 7
Community service grants	(14. 4)	(15. 9)	(28. 6)	(31. 6)	(28. 6)	(30. 3)	(29. 4)
V. Administrative support	8. 0	5. 8	4. 3	3. 8	3. 4	3. 5	3. 9
Total program	100. 0	100. 0	100. 0	100. 0	100. 0	100. 0	100. 0

ATTACHMENT B

Although the Corporation for Public Broadcasting was a creation of the Public Broadcasting Act of 1967 (P. L. 90–129), passed on November 7, 1967, the legislation appropriating the first funds for the Corporation—$5 million for fiscal year 1969—was enacted on October 11, 1968. The Corporation, then, has been in business just over three years.

FEDERAL AND NON-FEDERAL FUND SUMMARY

[In thousands of dollars]

	1969	1970	1971	1972
Federal appropriations:				
Definite	5, 000	15, 000	20, 000	30, 000
Matching			3, 000	5, 000
Total Federal appropriation	5, 000	15, 000	23, 000	35, 000
Federal grants and contracts		12	711	361
Non-Federal	2, 283	1, 425	5, 347	[1] 3, 580
Total funds [2]	7, 283	16, 437	29, 058	38, 941

[1] Excludes receipts applying to prior year expense.

[2] Does not include carryover funds.

Among the purposes and activities of the Corporation as spelled out in P. L. 90–129 are the following:

"Facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, will be made available to noncommercial educational television or radio broadcast stations, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature;

"Assist in the establishment and development of one or more systems of interconnection to be used for the distribution of educational television or radio programs so that all noncommercial educational television or radio broadcast stations that wish to may broadcast the programs at times chosen by the stations;

"Assist in the establishment and development of one or more systems of noncommercial educational television or radio broadcast stations throughout the United States;

"Carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the noncommercial television or radio broadcast systems and local stations from interference with or control of program content or other activities."

There are additional obligations upon and charges to the Corporation contained in the legislation, but in sum, it is clear that Congress, in creating the Corporation, was placing leadership responsibility for the development of noncommercial radio and television in the United States upon the Corporation for Public Broadcasting.

During the 39 months of activity by the Corporation, public radio and television in this country has been strengthened and developed to a very significant degree. Indeed, outlining the most significant progress made in this short time involves the problem of selecting those activities which constitute the most salient accomplishments from a large number of successful undertakings.

The Corporation has consistently aided local public television stations in the production of local programs designed to serve the particular needs of their community. Through the Community Support Grants of the Corporation, each public television station has received grants, the levels of which are determined by the stations' budgets. These grants have totalled $11.7 million since the formation of the Corporation.

National Television Programming

In television activities, the establishment by the Corporation and the public broadcasting industry of the interconnection between the individual public broadcasting stations is the accomplishment which makes a number of other activities possible. To operate the interconnection service, the Corporation helped establish a separate entity, the Public Broadcasting Service.

PBS, which receives most of its funding from the Corporation, is a membership corporation whose members are the station licensees. It is governed by a board of directors, the majority of which is elected by and composed of the managers of individual public television stations, elected by their fellow managers.

At this time, of the total of 219 public television stations, 190 stations are tied into the interconnection. Steps are being taken, under agreements with AT&T, to include other stations, which must now receive programs by videotape.

During fiscal 1971, the first full year of PBS operation, a total of $6.9 million from the Corporation was invested toward these activities. The total in fiscal 1972 is $8.2 million. During the first year, 1,300 hours of programming were made available to public television stations at no cost to them. Each station has full discretion over the use or non-use of the programs made available.

During the current season, PBS transmits a weekly average of 25 hours of programs to the stations for possible broadcast use. Of this total, ten hours are devoted to daytime, children's programs: "Sesame Street", "The Electric Company" and "Mr. Rogers' Neighborhood." The remaining 15 hours consist of programs seen on public television stations in the evening hours.

The evening programs distributed from PBS in 1971 came from twenty-seven different public television stations. Seven of the most experienced public television stations received additional funding from the Corporation to produce specific programs for national distribution:

KCET in Los Angeles produced "Homewood," "Hollywood Television Theatre," "Boboquivari" and "The Advocates."

KQED in San Francisco produced "World Press" and "San Francisco Mix."

WQED in Pittsburgh produced "The TurnedOn Crisis," Mister Rogers' Neighborhood" and docu-dramas.

WETA in Washington produced "Washington Week in Review," "Thirty Minutes With" and specials.

WTTW in Chicago produced "Just Jazz," "Kukla, Fran and Ollie" and "Book Beat."

WGBH in Boston produced "The Advocates," "The Nader Report," "Flick Out," "The French Chef," "Jean Shepherd's America" and "Masterpiece Theatre."

And NET and WNET in New York produced "Soul!", "The Great American Dream Machine", "NET Fanfare", "NET Opera Theatre" and children's specials.

In addition, production agencies were responsible for other of the rich fare found on public television:

The Children's Television Workshop in New York City is responsible for "Sesame Street" and "The Electric Company."

The Southern Educational Communications Association, Inc. of Columbia, S.C. produces "Firing Line" with William F. Buckley, Jr.

The National Public Affairs Center for Television in Washington is the new production center associated with WETA, and was established in July 1971 to produce programs in the field of public affairs and current events.

Local Programming

Just as significant as programs produced especially for national distribution are programs produced by local stations for local use, and for more than local use. In the latter category, the Corporation has made grants of $350,000 in fiscal 1972 to allow local stations to undertake the production of a program or a program series which, when completed, would be offered to PBS for national distribution consideration. So far this year, public television's highly acclaimed drug abuse project. "The TurnedOn Crisis", produced by WQED, Pittsburgh, is an example of a project that started locally and became a national series of importance.

The special programming of public television stations at the local level is extremely varied. For example, many stations provide their viewers with live coverage of the proceedings of elected bodies, such as state legislatures or city councils and school boards. The Maine public television network produced a weekly series for senior citizens; KERA in Dallas broadcasts a weekly program, "All you Need Is Love," which provides prospective adoptive parents a chance to "meet" children who are available; "Day Care Today and Tomorrow" was the title of a special from WTTW in Chicago which examined a shortage of such facilities in that city; a Spanish language program for children is produced by KLRN in Austin; "Job Man Caravan" is a South Carolina ETV Commission program which tours the state and provides information about jobs and training to the unemployed and underemployed—the examples of service to their own local audience by public television stations is a lengthy and proud record of service, one which is worthy of the support given by the Corporation for Public Broadcasting.

Growth of Public Broadcasting

In acting as the overall steward of public broadcasting, the Corporation has been heartened by a number of signs of growth and increasing strength by public television.

Reported income from all sources for public broadcasting in the United States has risen from $123 million in 1969 to $172 million in 1971. In 1972, reported income from all sources is expected to reach nearly $210 million. The Federal contribution to the establishment of a diverse public broadcasting system of high quality rose from $12 million to $36 million between 1969 and 1971. Continued growth of non-Federal funding throughout the same period provides reassurance that each increase in Federal support has augmented rather than substituted for financial support which public broadcasting receives from other, non-Federal, sources.

Between 1969 and 1971, the number of public television licensees grew from 123 to 132; the number of stations rose from 186 to 207. By the end of fiscal year 1973, the number of licensees is expected to reach 153; the number of stations, 254.

The population of the areas served by public television has increased from 144 million in 1969 to 156 million in 1971; from about 71 percent to about 75 percent of the total U.S. population. It is apparent that the incremental cost of reaching additional units of population will rise. However, the areas not yet reached by a PTV signal, especially the large regions of low population density, are considered vital parts of the ultimate national PTV system.

It is with this problem of service for the difficult-to-reach groups in mind that in 1971 the Corporation initiated its collaborative effort with the Office of Education and the National Aeronautics and Space Administration. This cooperative venture contemplates development of a program which is intended to bring the benefits of high technology to bear on the distribution of educational programming in the areas which are difficult or costly to reach through more traditional methods.

Certain of the areas with established PTV service are still imperfectly served. For example, within the Washington Metropolitan Area, the WETA (Channel 26) UHF signal is not well received in some locations. Improvements in quality of service for established service areas at reasonable cost continues to be a matter of active study and concern to both the Corporation and the affected licensees.

In the period 1969–1971, the total number of hours broadcast by PTV licensees increased from 446,000 to 659,000. This represents an increase from an average of 3,626 to 4,992 hours for each licensee; or 2,398 to 3,184 hours for each station—increases of about one-third.

One of the missions for the system set forth in both the Public Broadcasting Act and the Carnegie Report was that of training and development of personnel for public broadcasting service. In the period between 1969 and 1971, full-time employment by the PTV licensees rose from 4,825 to 6,022, an increase in average staff size of each licensee from 39 to 46. Total part-time employment also increased from 1,716 to 1,921.

The audience for PTV has also increased. The pitfalls of comparison with measurement of commercial mass audience should be avoided. It is generally instructive to note, however, that in the period 1969–1971, the Harris data indicated increase in weekly viewers from 30 million to 38 million to 50 million—increases of almost 30 percent per year.

Public television has extended its reach; increased the number and the diversity of its licensees; increased the total number of hours broadcast as well as the average broadcast by each licensee; is developing a skilled professional staff; and is serving a larger proportion of the population with higher quality programming.

The improvement in quality of public broadcasting programs may not only be indicated by the increase in weekly viewers. In the period 1969–1971, 20 Emmy and 11 Peabody awards attest to critical acclaim for the program offerings of the system. Critical acclaim and general indication of increase in number of weekly viewers is reassuring. However, the traditional audience rating or evaluation schemes have proven to have limited relevance in dealing with the problems of measurement of effectiveness of special programs intended for selected viewers. It is in order to measure the effectiveness of these programs that the Corporation, with support of non-government funds, will develop offices to coordinate public broadcast surveys within the local service areas—fours in 1972 increasing to nine in 1973.

Instructional Programming

The instructional thrust of public broadcasting dates from the very beginning of noncommercial broadcasting. Indeed, before there was public broadcasting there was educational broadcasting. In many ways, the great majority of public television's offerings are educational in a broad sense, and fully 34 percent of all the on-air hours of all public television air time are strictly instructional.

During the months when public schools are in season, the average for instructional programs rises to 42 percent of all public broadcasting.

In absolute numbers of hours, too, instructional programming is rising: in fiscal 1970, there were 201,000 hours of ITV of a total of 587,000 hours of public television; in fiscal 1971 there were 222,000 hours of ITV of a total of 659,000 hours of public television broadcast.

In small villages and large cities across the nation, in classrooms, community centers and even in private homes, educational television is beginning to realize the promise it has so long offered.

Certainly the best known and most successful use of television to assist learning is "Sesame Street," which receives part of its funding from the Corporation. "The Electric Company," also produced by the Children's Television Workshop, is gaining increasing critical acclaim as it seeks to teach reading skills to slightly older children.

The Corporation currently is undertaking an extensive research project to determine in what way public broadcasting can serve a large segment of the American population: those persons who do not have a high school education.

The results from the research will not be finally available for several months, but it is hoped that a role for public television can be established whereby a major effort can be mounted to assist the millions of persons who do not have, but want and need, the skills they have failed to acquire in formal learning processes.

In another area of critical importance, public broadcasting has provided the only national prime-time attention to the problem of drug abuse in the nation. In the program series, "The TurnedOn Crisis," the public broadcasting stations presented eight half-hour special programs produced by WQED in Pittsburgh. Then, in the second phase of the attack on the widespread misconceptions and ignorance about drugs, 120 broadcast licensees produced nearly 500 local programs aimed at narrowing the focus of the problem to their home towns.

Public broadcasting then produced a second national series of programs, "Because We Care," designed for teachers and educators to provide basic information about how to deal with drug problems among students.

The final step was "Nobody But Yourself", another WQED production, designed for in-school viewing to help the young people most susceptible to experimentation with drugs, those of junior high school age.

The activity at both the national and local level in promoting interest in "The TurnedOn Crisis" occupied not only the attentions of public broadcasters, but of a number of national organizations which swung into action on behalf of the drug education project.

Many of these organizations are members of the Advisory Committee of National Organizations of the Corporation. The thirty-six members of this committee have been meeting with Corporation leaders regularly since its establishment in 1969. Representing national organizations as diverse in interest as the National Association of Manufacturers, the American Bar Association, Consumer Federation of America, AFL–CIO and thirty-two others, the Committee provides counsel on both policy matters and programming to the Corporation. Using membership on the Committee as a point of entrance, the different national organizations played a major role in the development and utilization of the entire "TurnedOn Crisis" effort.

Radio Development

Although the major efforts of public broadcasting relative to "The TurnedOn Crisis" were conducted by television stations, public radio stations in many locations contributed a great many hours to broadcasts of the subject.

The development of the nation's public radio stations is a task that receives a great deal of the attention by the Corporation.

The most significant step which has been taken by the Corporation was the establishment of National Public Radio, an organization which serves both as the interconnection manager between the nation's qualified public radio stations and the center point of the wheel through which the program material moves.

The term "qualified" public radio station indicates that a given station meets minimum requirements in terms of broadcast hours, transmission capability and station personnel.

There are some 500 non-commercial radio stations in the country and 112 of these currently meet the minimum standards. Both the Corporation and NPR are constantly working with a number of the non-qualified stations to assist them in meeting the necessary minimum standards, and it is estimated that by 1973, the number of qualified stations will be 140.

General support grants from the Corporation to these stations totaled $627,000 in 1970 and $961,300 in 1971. The current budget contains $1,229,000 for the program. At the present time, these grants range in amount from $7,500 to $15,000, depending on the size of the station's budget.

Such funds have been used primarily to increase the number of staff members, to expand local production and programing efforts, and to increase the number of hours on the air.

In addition, the Corporation for Public Broadcasting has established three special grant categories to aid public radio stations.

The Public Radio Production Unit project, with a current budget of $600,000, is designed to provide significant grants to individual stations to enable them to establish special major programs, such as an ombudsman program, or a major news unit, or a musical recording facility—all products of which can be made available to all public radio stations.

Another grant program makes possible $15,000 grants to unqualified public radio stations to enable them to meet the minimum qualifications.

The third program, designed for major population centers not now being served by public radio stations, permits either the upgrading of a current station or the establishment of a new station to bring full service to the listeners in the area served. These grants are for $25,000 each.

The chief program offering to the members of NPR is the 90-minute daily sound magazine, "All Things Considered," which treats as wide a variety of subjects as its title implies. Additional regular NPR programs include the audio portion of "Firing Line," broadcast of speeches before the National Press Club and addresses at the Ford Hall Forum. In addition, NPR, which has been on the air only since May of 1971, has distinguished itself by providing live coverage of a number of governmental hearings and by conducting its own series of health care hearings in six cities across the nation.

Between National Public Radio and the Public Broadcasting Service, the nation's noncommercial radio and television stations are being provided with programing that is both increasing in quantity and growing in quality. The Corporation for Public Broadcasting, having set into place the bulk of the physical facilities to allow minimum operation of the two interconnections, fully intends to pursue the further development of the public broadcasting media of the United States so as to meet the Congressional mandate of providing "an expression of diversity and excellence."

Much of the work which remains to be done is at the local stations of public broadcasting. The Corporation is committed to providing the maximum degree of assistance possible to permit local public radio and television stations to develop as each individual situation is perceived and a plan is formed by the management of the broadcasting facility.

Further, the Corporation intends to the maximum extent possible under availability of funds to continue to encourage the development of quality local programing by public radio and television stations for national as well as local distribution.

Technological Development

Finally, in a field whose technological parameters are still probably yet to be conceived, to say nothing of developed, the Corporation will continue to take the lead to assure that the development of the hardware of broadcasting benefits public broadcasting.

Already, the Corporation has been active in connection with the National Aeronautics and Space Administration and the Department of Health, Education and Welfare in experiments which are currently providing live radio broadcasts to Alaska by utilizing the ATS–1 satellite. In May of 1973 the ATS–F satellite will be launched and when it is in position, it will be possible to enter into an experiment to provide Alaska and the Rocky Mountains with live television signals.

The Corporation has been active in seeking a place for public broadcasting signals on any commercial broadcasting satellite which might be launched, and several of the organizations bidding for the right to launch such a satellite have agreed to this proviso.

At two experimental centers funded by the Corporation—at WHA radio in Madison, Wis. for that medium and at the National Center for Experiments in Television at KQED in San Francisco—professional broadcasters are being joined by creative talent from a variety of disciplines to explore the other uses to which radio and television can be put. Grants of nearly $100,000 to the radio unit and of $150,000 to the television unit were made in the current year by the Corporation.

Grants from the Corporation have also been made to several organizations to permit the continuing growth in the field of film making. Film centers at public television stations in Athens, Ga., Durham, N.H., and Austin, Texas were given grants totalling $226,000 for the current year and the American Film Institute was awarded $100,000 to support that organization's Independent Filmmaker Program.

In sum, then, the Corporation for Public Broadcasting is active in working with all elements of the public broadcasting industry in the development of every area of noncommercial radio and television in this country.

Programs of high quality, from diverse sources, are being made available to the stations, and ever increasing attention is being given to strengthening public broadcasting's diverse elements, especially local stations.

The interconnections for both public radio and television are in place and growing so that each station may broadcast programs of their choosing. The establishment of the Public Broadcasting Service and National Public Radio is accomplished.

Finally, both implicitly and explicitly in each of the activities of the Corporation for Public Broadcasting, the organization *is* carrying out its purposes and functions and engaging in its activities in ways that will most effectively assure the maximum freedom of the noncommercial television or radio broadcast systems and local stations from interference with or control of program content or activities.

Mr. MACDONALD. We thank you, Mr. Macy, for appearing here before us. Also the Honorable Frank Pace, and Mr. Schooley.

Without going into great detail, one of the problems that has arisen is your relationship—I am now talking about the Corporation, and this is why I am going to address my question to Mr. Schooley—between the Corporation and local stations. I think this is one of the really nitty-gritty parts of the problems that we have to deal with, as to what you are testifying about today. I would like to ask the question of Mr. Schooley.

First of all, Mr. Schooley, are you speaking just for yourself or do you speak for an organization?

Mr. SCHOOLEY. Primarily for myself, because I couldn't speak for the University of Illinois Board of Trustees, which is the license holder for the two radio stations and the television station I manage. But basically in the operations, I have to make the day-to-day decisions following out a policy established for radio in 1957.

Mr. MACDONALD. Do you hold any organizational position with the local stations?

Mr. SCHOOLEY. Well, the television station is affiliated with the Public Broadcasting Service, which is the interconnection service. The radio station is a member of the National Public Radio, which is the distributor of radio programs.

Mr. MACDONALD. Right. Do you speak for them?

Mr. SCHOOLEY. I do not speak for them, because both of these organizations have their own boards of directors. The majority membership of their boards of directors are station managers. I think it would be slightly improper if I try to hold two or three positions.

Mr. MACDONALD. Do you have any problems, as an active manager, with the Corporation?

Mr. SCHOOLEY. No; I think the Corporation has more trouble with me. Actually not. You see, when we deal in programing, we deal primarily with PBS or NPR, being television or radio. When it comes to getting community service grants for either radio or television, we are given funds by CPB based on a formula which managers themselves have recommended to the Corporation. Basically, all I or any other station manager has to have is an accountability for the purposes for which the funds are given.

Mr. MACDONALD. To that extent, for my information and, I am sure, the other members of the committee, if you get a program that you don't approve of, are there any repercussions from the Corporation if you don't run that program?

Mr. SCHOOLEY. Not one bit.

Mr. MACDONALD. Does it affect the money you get from them?

Mr. SCHOOLEY. Not one bit.

Mr. MACDONALD. How many times, as operating manager of the station, have you turned down programs that have come from the Corporation? I don't need an exact amount.

Mr. SCHOOLEY. Very few times. There have been technical reasons in the early days of the operation that we didn't get programs because A.T.&T. might have needed the circuits for some other purpose. This is now being corrected. But very few.

For example, in television, PBS provides programs we could use, or if we elect, we sometimes pull a network program so we could have a local program. This would be the same as any other station would do. But the one thing we get——

Mr. MACDONALD. I will ask Mr. Macy about that later. I don't really understand what an "alternate program" is.

Mr. MACY. Would you like me to give you two sentences on that?

Mr. MACDONALD. I would like to hear it from the manager.

Mr. SCHOOLEY. I consider public broadcasting as being an alternate service of what the American public grew up with—commercial radio and television service. In that sense, public broadcasting is an alternative. You could use the word "substitute."

Mr. MACDONALD. I hope you are saying "superior" and not "substitute," because that is how we formed this. The Federal funds are put into it for superior broadcasting.

Mr. SCHOOLEY. I say, hopefully it would be.

Mr. MACDONALD. Are you saying it is not superior?

Mr. SCHOOLEY. Presently the alternate program is about the equivalent of the regularly transmitted by interconnection programs. But the plans are to have quality programing or better quality programing in the future when we have funds to make these available.

Mr. MACDONALD. Thank you. Now I will ask Mr. Macy. You referred, many numbers of times, to "alternate" programing. That is a new word to me. I never heard of it before.

Mr. MACY. It is a new word. What is intended here is to provide a broader range of choice for the station manager who, in the final analysis, determines what is to be transmitted over the air. Beyond the regularly scheduled program, in this way we will be able to provide programs of different types from a broader range of sources.

Mr. MACDONALD. Like what, Mr. Macy?

Mr. MACY. For example, this would make it possible for us to pick up a program of an educational nature that had been developed at WGBH or in the Eastern Educational Network and was desired by other stations but that they could not afford to acquire. It would be available to them to fit into their schedule. It would be made available in hours other than the regularly scheduled hours for the 23 weekly hours of programing that is provided.

So this would, in effect, be an increase in inventory of national programing made available for the selection of the station manager. I think this is relevant to your question about the relationship between the Corporation and the stations.

Mr. MACDONALD. If I could pursue that a little further, some of the criticism about the Corporation was that money should be given directly to local stations, which perhaps is a good idea. I think the bill I have introduced does the same thing, but it is just a question of how much money.

But is there any controversy at this present moment—never mind the future—at this present moment, between the local stations and the Corporation? This is why I asked the question directly to a man who runs the station. Is there any basis on which this is sort of a natural fuss?

Mr. SCHOOLEY. Mr. Chairman, we had the meeting of the managers' council, the managers' council being a specially elected group from stations. They are always seeking more money, and we, as a corporation, are not hitting 30 percent.

Mr. MACDONALD. Under my bill you get 30 percent, right?

Mr. SCHOOLEY. I beg pardon?

Mr. MACDONALD. Under my bill you get 30 percent.

Mr. SCHOOLEY. I understand.

Mr. MACDONALD. As something that has been suggested by other people, you get more than that, that goes directly to you? Why do you think that was suggested to you—that you should get the money directly rather than going to a more logical or reasonable corporation?

Mr. SCHOOLEY. Since I didn't suggest it, I can't answer for the parties who do suggest it.

I would point out to you just the problems involved. Take radio. There are more than 500 radio stations in power from 10 watts to 5,000 watts. Now, how are you going to prorate the moneys to 500——

Mr. MACDONALD. Don't ask me. I am asking you. You are supposed to be an expert. I hope you are.

Mr. SCHOOLEY. This is the problem you get into when you try to legislate.

What the Corporation has done in cooperation with station managers, both radio and television, is to establish and follow a pattern or standards which the stations themselves agree with. That has been the practice.

Mr. MACDONALD. How do you feel directly about this new approach?

Mr. SCHOOLEY. The new approach, if you are referring to the pass-through theory, I don't think is desirable, because you have no basis of judgment on which stations should or should not get funds.

Mr. MACDONALD. As I understand it, if you are just in the area of public broadcasting, you get this amount whether you have done a good job or bad job. Am I correct?

Mr. SCHOOLEY. Or whether you even operate.

Mr. MACDONALD. Would you explain that? I don't know about that.

Mr. SCHOOLEY. There is a case on record of a station which applied twice for a license and didn't operate the first 2 years they had the license.

Mr. MACDONALD. And they would get money under the suggested proposal?

Mr. SCHOOLEY. Not under the present Corporation. But I assume, if they were licensed by the FCC, they would automatically get the money on the pass-through theory if that were accepted by the Congress.

Mr. MACDONALD. What we are really asking for is your judgment about it. Do you think that is a good idea?

Mr. SCHOOLEY. My judgment is not to go to the pass-through but to go to the Corporation, which, as I understand it, was established for this purpose, and providing leadership and working cooperatively with managers of stations. It would work out a policy, even though it may change from year to year, with those stations that would help improve the overall picture of radio and television broadcasting in the United States. This is the way to do it.

Mr. MACDONALD. Thank you, sir. Mr. Van Deerlin.

Mr. VAN DEERLIN. Thank you, Mr. Chairman. May I inquire of the Chair: Have these additional local station managers who will be appearing before the committee later been invited independently by the committee, so that we may get a full range of opinion from local managers rather than put the entire burden on Mr. Schooley?

Mr. MACDONALD. There is no question about that.

Mr. BROWN. Would the gentleman yield?

Mr. VAN DEERLIN. I yield.

Mr. BROWN. I have some names of station managers that might be invited if the chairman would entertain that request.

Mr. VAN DEERLIN. I would not assume to speak for the Chair.

Mr. Macy, you have given a rather comprehensive picture of the not purely educational aspects of public broadcasting. I think there is some opinion, possibly within the subcommittee itself, that public broadcasting should have concentrated more on educational or classroom techniques. I am not one of those.

I am wondering, though, what you, in providing an alternative for the American public in programing, see as the optimum toward which public broadcasting should be aiming.

We have three commercial networks, and quite clearly the attribute of public broadcasting is that in prime time it will bring viewing and listening alternatives to the American public.

Commercial broadcasting, as was made clear in "Television . . . the Business Behind the Box," the book out recently by Les Brown, cannot continue a program which fails to garner about 30 percent of the total viewing audience. You, obviously, don't feel any such competition. I know you would like to have more than three-quarters of 1 percent of the viewing audience, but what, across the board, do you view as the ultimate optimum share of audience for public broadcasting?

Mr. MACY. I think it is important to emphasize, in answering that question, that really our effort is to try to appeal not to the mass audience, which is the objective of the commercial broadcaster, but more to appeal to various specialized audiences, age groups, or interest groups, and to view our audience more as an accumulation of viewers over a period of time rather than holding a large mass for an extended period of time.

Our programing goal is to provide the viewer with a choice, not to provide competition with the commercial programing. I don't say that with any unfavorable connotations concerning commercial broadcasting.

But the spectrum has the opportunity to provide the viewer with a much broader choice than is available on his dial at the present time. Public broadcasting should be the means whereby that range of choice is broadened and that it is broadened in the sense of continuing education, that it provides information and culture and understanding.

Mr. Van Deerlin. Clearly, commercial television would be very pleased to have given the Nation "Sesame Street" which could go out and command big money in the commercial market, could it not?

Mr. Macy. Yes, I think it could. And I think we can already see where "Sesame Street" has had an affirmative influence on subsequent children's programing provided by the commercial networks.

Now, some have said, "What if commercial television should pick up "Sesame Street" or something exactly like it? What would happen to public broadcasting?" My answer to that is that this would be fine. This would mean that an even larger audience might be reached. Then the mission of public broadcasting should be to move on to another objective that could be served.

So, in answer to your question about a specific number, I would really like to hedge, but I think it is unlikely that any public broadcasting program would get more than a 10 percent share of the audience. I think it would be very unusual to have a nationwide audience for a given program any higher than that. When you recognize the magnitude of the audience we are talking about, I still——

Mr. Macdonald. Mr. Macy, would you yield?

Mr. Macy. Yes.

Mr. Macdonald. Have you heard about "The Forsyte Saga"? It seemed to have a big rating in New England.

Mr. Macy. I don't think it was ever higher than the commercial broadcast at the same time. I think its share might have been a six or eight or something of that order. But it was not attracting the audience of a mass nature that the commercial broadcasts were.

Mr. Macdonald. Practically everyone was listening to it.

Mr. Macy. We will check the record. I would like to believe what you say. I think the facts are otherwise. (See p. 63.)

Mr. Van Deerlin. Perhaps the chairman suffers from the same syndrome that affected the commercial network executive who said it was ridiculous to schedule any important programing for 4 o'clock Sunday afternoons, because everyone was watching polo then. Perhaps in the circles that the chairman moves, this great programing was more widely popular.

Mr. Keith. I am tempted, because of the good humor that prevails, to yield to the gentleman, but I will pursue somewhat the same line of questioning.

In terms of the private sector, they can tell us pretty much what the cost per viewer is when divided amongst the total audience. Have you done surveys that can relay to us what the cost per viewer is of the educational programs that you put on?

Mr. Macy. The one that immediately comes to mind is the one that it has been claimed by overuse and that is "Sesame Street." The cost per viewer there is about a penny a day per child. This is because that particular program does attract a very large share of the audience in that particular age group. That is the 3- to 5-year-olds at the preschool level. That, I think, is an unusual cost effectiveness.

Mr. Keith. Let us entirely disregard that for purposes of this discussion and say for the average educational program that you do.

Mr. Macy. I don't have those figures in my head. I would be happy to provide them. (See p. 64.)

Mr. Keith. You have done the surveys?

Mr. Macy. We know what the cost per program is. Nationally our cost runs about $40,000 an hour for national quality programing. Now, the size of the audience will vary from program to program, so that we would have quite a bit of variation. But I don't have those at hand. (See p. 64.)

Mr. Keith. It is easy to get the cost of the program, but I don't think that is what we or you would be seeking. It would be to measure the size of the audience and determine whether or not you are getting your money's worth or the public is getting its money's worth, or the foundations, and others who contribute to the program. This rating system is well known within the broadcasting industry. It is a technique that I would think you would apply.

Mr. Macy. We are trying to avoid addiction to the ratings. We feel that much of the information that is contained in the ratings is faulty. But I can provide for the record the information as to what the cost per viewer is, based on the research and data collection that we have done. (See p. 64.)

Mr. Pace. May I just make a comment on that. I think if you sought solely to evaluate programs on cost, you would probably be moving away from what you really want us to do.

One of the great programs we put on was a program for the deaf. I have an idea on the cost efficiency basis, purely dollars and cents, this would be very hard to justify. Yet, as I understand it, what you have asked us to do is to try to reach out and find things of quality to reach people who are not mass audiences and to try to do that at the lowest possible cost. I think it would be one measure of evaluation. I would not think we would want to make it in any sense the entire measure.

Mr. Keith. My point is that you should know what it is costing so you could measure the good that it does. I think all of us would agree that you could afford a very high cost per viewer of the deaf because they are scattered and it is very difficult for them to go to a school geared to their ends.

On a nationwide basis, I think it would be a very wise investment and an economical way as contrasted to other alternatives. On the one hand, I think he used "Sesame Street" to illustrate in his favor, and I think you have gone in the other direction.

What I am interested in is whether or not you are following these techniques so that you can tell those people whose financial support you are soliciting. Had we been able to do that at such a cost, you may find that someone has a particular charitable bent and is terribly involved—maybe it is Avon Products or maybe it is Stevenson Corp.; maybe his wife has some pet hobbies and would like to explore this with you. I think it is a darn good tool to use.

Mr. Pace. I share your feeling in that.

Mr. Keith. Another thing that concerns me a little bit—and perhaps Mr. Van Deerlin was going to it—if we go to the $100 million and more public contribution that you foresee in the years ahead, supplemented by foundations and the private sector, is there any possibility that you will be taking away from the commercial broadcaster a market which he can serve more economically and, in a way, lessen the cost to the public? I would fear that such a potential was ahead of us. Would you comment on that, Mr. Pace or Mr. Macy?

Mr. Pace. I would say that it is a concern that I would share with you. I would say to you, Mr. Keith, that very early I felt very strongly that there had to be an intelligent understanding between these two areas if we were to function effectively. I believe the first five speeches I made were to commercial broadcasters.

We have asked the NAB to provide us with an advisory committee, which represents five of the most distinguished operators of commercial stations in the country. I think we met with them not more than 3 weeks ago. It is something that you have to keep your mind addressed to consistently because no matter how clearly your desire, the size alone, as you point out, could be a problem.

I think I can say to you that we are thoroughly aware of it. We have asked these very competent fellows to keep us in touch with anything that they think constitutes basically a wrong move on our part. Now, their judgment, like everybody else's, will differ. We are aware of the problem. We face it, I think, intelligently, but it is there.

Mr. Keith. Allied to that, I have noticed Mobil's ads or commercials are just the same simple statement of credit. That is worth a lot to them. I know that in our family, we have a Texaco credit card because we like the opera—my wife does.

Suppose you had someone fighting for a chance to have his credit allied with "Sesame Street." Is that a merchandisable idea and product? Can you go to a private corporation and say, "How many of you want to bid for that credit, and perhaps get a very substantial contribution?" Is that a legitimate practice, and do you pursue it?

Mr. Macy. The whole question of underwriting, Mr. Keith, is a critical one in our financial picture. We have tried to supplement funds that have been available for national programing by securing the kind of underwriting that you described for the "Masterpiece Theater."

Mr. Keith. I have only 5 minutes.

Mr. Macy. My answer would be, first, that insofar as "Sesame Street" is concerned, there were underwritings provided by certain companies to permit the rerun distribution of "Sesame Street" on Saturday morning. This was provided as a part of the support.

Mr. Keith. I know there are others that want to get in on the questioning, but I would like to have you look at the question I asked and give us an answer in writing for the record.

Mr. Macy. I would be happy to.

(The following information was received for the record:)

Share of Nationwide Audience for Public Broadcasting Programs

The following charts indicate the audience measurement for the programs "The Forsyte Saga," and "The Advocates" in the New England area. Two measurements were taken, one in Boston (WGBH) and one in New York (WNDT). In both cases the share of audience was less than 10 percent.

Special Hooper TV Audience Index, Coincidental Interviewing—October 5, 12, 19, 26, 1969, Share of Television Audience[1]

BOSTON, MASS.

Sunday: 8 p.m. to 10 p.m.:	
Homes using TV[2]	52. 4
WBZ	28. 1
WGBH	3. 9
WHDH	28. 9
WKBG	1
WNAC	36. 1
WSBK	4. 6
Other TV	. 5
Sample size	955

[1] Base: Total television station identifications.

[2] Base: Total homes using television.

NEW YORK, N.Y.

Sunday: 8 p.m. to 10 p.m.:	
Homes using TV[1]	47. 2
WABC	26. 6
WCBS	33. 2
WNBC	29. 5
WNDT	2. 2
WNEW	7. 8
WOR	. 9
WPIX	2. 5
WXTV	. 3
Other TV	0
Sample size	862

[1] Base: Total homes using television.

NATIONAL PRODUCTION AND DELIVERY COSTS FOR 3 SELECTED PROGRAMS

	Firing Line	French Chef	Advocates
CPB production costs (thousands)	$725	$208	$1, 040
PBS delivery costs (season) (thousands)	284	160	241
Cost/season (thousands)	1, 009	368	1, 281
Average times per week broadcast by interconnected stations	152	160	133
Weeks per season	46	52	39
Estimated broadcast hours per season	6, 992	8, 320	5, 187
CPB/PBS cost per broadcast hour	$144	$44	$247
Average population in service area of stations broadcasting (in thousands)	137, 000	137, 000	135, 000
Average CPB/PBS cost per 1,000 potential viewers	$1. 05	$0. 32	$1. 83

Mr. MACDONALD. Before I recognize Mr. Rooney, which I am going to do instantaneously, do you feel that this Corporation is in the business of being in competition with the networks?

Mr. MACY. No, and I would like to emphasize that.

Mr. MACDONALD. You didn't make that clear in your answer to Mr. Keith.

Mr. MACY. We are not in the business of competing.

Mr. MACDONALD. I hope you are not. We funded you in 1967 to supply superior or maybe specialized—or whatever word you want to use—broadcasting. If you get into competition with commercial broadcasting, you will be in over your head.

Mr. MACY. Program policy is to provide an alternative and should not be a duplication of what is provided by the commercial broadcasters.

Mr. Macdonald. Mr. Rooney.

Mr. Rooney. Thank you very much, Mr. Chairman. First of all, I would like to thank Mr. Schooley, Mr. Pace, and Mr. Macy for their excellent statements and also to congratulate Secretary Pace and John Macy for the outstanding contributions you have made in public broadcasting during the 5 years under your able leadership.

You said in your statement—I think it was on page 3, which is not in my copy—I don't have a copy of it—that you do have, from time to time, disagreements with the local station managers. What are those disagreements that you might have with the local station managers?

Mr. Macy. I think it is largely less than a disagreement. It is a matter of there being different points of view from across the country among the station managers that get reflected to the Corporation in almost continuous meetings that we have with various representatives of the stations.

I would say that the primary area of difference of opinion is on the priority of the Corporation's investments from the funds that have been made available to it. I think the station managers would feel that there should have been an earlier distribution of greater funds to the stations.

The judgment of the Corporation was that there were certain basic national services that had to be established before there could be a marked step-up in the money for the stations.

The "not less than 30 percent" proposed in the chairman's bill for the stations is a reflection of what we have worked out in concert as to what the goal should be for the immediate future.

I think that in a country as large as ours and as diverse as ours, there are bound to be disagreements about the programs that are provided. I think this is healthy. I think there needs to be this kind of discourse.

The means by which programing is ultimately selected and distributed is the Public Broadcasting Service, which is a corporation made up of the stations themselves. They elect their own station managers to form a majority of the board of that corporation. So there is a continuing feeding into the Public Broadcasting Service of the program points of view of the stations.

In fact, PBS, at least four times a year, polls the station managers to find out what their attitudes have been with respect to specific programs. That comes back through PBS to the Corporation, so that those judgments are in the range of consideration of the Corporation when it decides what funding it is going to apply to national programs.

Mr. Rooney. You said earlier, in your statement to the chairman, that you are not trying to compete with the networks. But it seems to me you are competing with them in some of the high-priced talent you have hired in recent years. Can you comment on that?

Mr. Macy. Yes; we have heard a good deal about certain salaries that have been authorized within public broadcasting. I think that in some ways those salaries reflect the kind of management choice that has to be made within public broadcasting.

We view the mandate in the Public Broadcasting Act as calling for high-quality programing, calling for a degree of professional talent that is necessary to assure that the programs are effectively provided.

This means that the talent that is selected by the production agencies is drawn from a talent pool that contains limited numbers in our society. This does not mean that the salaries paid have to be totally competitive with the commercial marketplace, but it does mean that they have to be somewhat higher than academic or public service salaries. In the cases that were cited in the press, that is what occurred.

Mr. Rooney. Has there been any endeavor on the part of public broadcasting to develop your own talent?

Mr. Macy. Yes. That is what I was going to come to. I think that outside of those headliners and out of view from the press there are quite a number of individuals who are coming through the public broadcasting system who will be the talent of the future. And aside from those headliners, the compensation paid to talent is really substantially less than would be paid in the commercial sector. Those particular cases are special and stand out because they are.

Mr. Rooney. I have no further questions.

Mr. Macdonald. Mr. Brown.

Mr. Brown. Thank you, Mr. Chairman. Since our time is limited, I would appreciate, gentlemen, if you could keep your responses to my questions brief, since I have a number of them.

Mr. Schooley, what is CPB's policy for distribution to local stations of funds for operations?

Mr. Schooley. The policy is: To make funds available based on standards of income of the stations. The station says to CPB "If we get these funds based on our income, we plan to do these things: Program maybe a new program or special service within the fiscal year." All stations are then required to make a report of their stewardship for Federal funds to the Corporation.

Mr. Brown. CPB approves all of those?

Mr. Schooley. It doesn't necessarily approve all of them. It may go back occasionally and get some refinement on suggestions.

Mr. Brown. What do you mean by "refinement on suggestions"?

Mr. Schooley. An inquiry as to what the request really is and what the funds are to be used for. If the station manager, or whoever made the application, wasn't clear, just to go back to get information.

Mr. Brown. Suggestions as to how the funds might be used?

Mr. Schooley. Yes. The station simply says to the Corporation "You give me x number of dollars based on my previous year income and we are going to do "X, Y, and Z" things during this year."

Mr. Brown. Then CPB makes a determination?

Mr. Schooley. The CPB will more or less automatically give you the funds.

Mr. Brown. What do you mean—"more or less automatically"? This is what I am trying to figure out. What is the policy by which that determination is made?

Mr. Schooley. The policy is that if the station specifies that it will use the funds for public broadcasting within the time period that the grant is supposed to cover, the Corporation will give the funds.

Mr. Brown. So it is an automatic distribution, is that right?

Mr. Schooley. It is, subject to the application and a report. But basically, yes.

Mr. Brown. Does CPB make any discretionary judgment between applications as to which stations get funds and which stations do not? That is the substance of my question.

Mr. SCHOOLEY. All stations receive funds based on their previous year's income, not on the basis of the application.

Mr. BROWN. So if you make an application, you get the money automatically, and the applications do not exceed the amount of money granted, is that correct?

Mr. SCHOOLEY. The amount of money granted is based on the licensees previous year income. That's all they can request.

Mr. BROWN. So really the only applications for assistance funds which had been met by public broadcasting are those which have been requested, and therefore there isn't any greater need for money at the local station level, is that correct?

Mr. SCHOOLEY. No, because it depends on the local level, whether or not they need the funds. I mean, the decision is made at this point. To take radio, for example, there a lot of unqualified stations whose signals don't go across the street sometimes.

Mr. BROWN. Let us talk about television.

Mr. SCHOOLEY. All right.

Mr. MACDONALD. Would you yield for one clarification?

Mr. BROWN. Yes.

Mr. MACDONALD. You said "nonqualified stations"?

Mr. SCHOOLEY. Yes: in the case of radio. There are certain standards which the Corporation has established for stations who may belong to National Public Radio and who can receive funds from the Corporation.

Mr. MACDONALD. What is a "nonqualified station"? Why should they be on the air if they are not qualified?

Mr. SCHOOLEY. It is just too illustrate the matter. Tenwatters, generally speaking, do not cover much area or much population, and yet the Federal Communications Commission licenses them. We feel a station should be covering a greater number of people. Therefore, the minimum should be 250 watts.

Mr. BROWN. So they don't get aid from CPB?

Mr. SCHOOLEY. That is right.

Mr. BROWN. So this is a discretionary matter on the part of CPB?

Mr. SCHOOLEY. Yes.

Mr. BROWN. Do I understand you to say that all of the educational television stations around the country that have presented applications to CPB for grants have been funded?

Mr. SCHOOLEY. To the best of my knowledge. I am not on the staff, but I think that is true.

Mr. BROWN. I was under the impression there was a need for more money at the local level than CPB has been able to provide at present.

Mr. SCHOOLEY. I think this is true.

Mr. BROWN. But the money has not been requested?

Mr. MACY. May I clarify, Mr. Brown?

Mr. BROWN. Yes, sir.

Mr. MACY. Each year, the Corporation determines the total amount of funds that can be utilized for community support grants to the stations.

Mr. BROWN. CPB determines that?

Mr. MACY. CPB determines this out of its total funds available.

Mr. BROWN. Now, wait just a minute. That is not what Mr. Schooley told us. He told us that all of the requests made by the local stations were funded by CPB.

Mr. MACY. He was talking about a subsequent step after the one I have just described. In other words, after the Corporation has determined how much money is available, it then, after consultation with the stations, works up a payment schedule for grants presently based upon the size of the budget of the station.

Then it invites these applications from the stations. They are reviewed by the Corporation to determine whether they are within the limits of the criteria which are, as Mr. Schooley has said, provided. Then the amount they receive is on the basis of this particular schedule that has been predetermined in consultation with the stations.

Mr. BROWN. You see, the reason I ask the question of Mr. Schooley is that Mr. Schooley earlier said, in response to the chairman, that he preferred the policy of CPB to a fixed formula of distribution of funds to the local station. I was trying to get from Mr. Schooley what that policy was on which CPB made a determination. But let me go on, if I may, to ask about programing, Mr. Schooley. How does CPB make its determination as to who should receive programing grants from CPB, which of the individual stations and what kind of programing?

Mr. SCHOOLEY. In working cooperatively with the distribution system: namely, Public Broadcasting Service; and in consultation with station managers.

Mr. BROWN. Now, how often has CPB consulted with all of the station managers, meeting together?

Mr. SCHOOLEY. Well, as a minimum of once a year and usually it happens about three to four times a year.

Mr. BROWN. In other words, all of the station managers meet with the board on CPB on an annual basis, is that correct?

Mr. SCHOOLEY. Meet with the staff.

Mr. BROWN. Pardon?

Mr. SCHOOLEY. Meet with the staff.

Mr. BROWN. On an annual basis?

Mr. SCHOOLEY. Yes.

Mr. BROWN. Regularly?

Mr. SCHOOLEY. Yes.

Mr. BROWN. As this group or individually?

Mr. SCHOOLEY. As a group.

Mr. BROWN. That has been going on since CPB was formed?

Mr. SCHOOLEY. Since the early days, yes.

Mr. BROWN. How about the budget decision at the CPB level? How are those reached—in consultation with the station managers?

Mr. SCHOOLEY. The budget decisions are made by the board of directors on the basis of staff recommendations.

Mr. BROWN. Now, how do the station managers get their input into the CPB board decisions on overall budgeting?

Mr. SCHOOLEY. They have a managers' council, and they have arranged to meet with the staff to discuss the budget plans and, on occasion, have met with the board.

Mr. BROWN. How frequently?

Mr. SCHOOLEY. Only once with the board.

Mr. BROWN. I thought they met annually with the board.

Mr. SCHOOLEY. You asked me an earlier question, sir, about meeting with all of the managers. I am talking about a group they select to be their council of managers.

Mr. BROWN. Are you the only local station manager on the CPB board?

Mr. SCHOOLEY. Yes.

Mr. BROWN. Mr. Macy, let me ask you, if I may, some questions. How do you assess the success of CPB program presentations?

Mr. SCHOOLEY. By the response from station managers and from reviews and sometimes our own judgments.

Mr. BROWN. Mr. Macy?

Mr. MACY. The evaluation of programs is primarily a function of the Public Broadcasting Service working with the Corporation staff through the use of questionnaires, reviews, evaluations of various kinds flowing from the stations.

Mr. BROWN. I have just two more questions. How do you determine the percentage of budget to be spent on program development, program distribution, and technological research?

Mr. MACY. On the matter of programs, we determine with PBS what the number of hours per week of programing throughout the year will be providing and then work with the production centers to determine what will be available from them for the development of programs for that schedule. This is done with PBS because that group is representative of the managers.

Mr. BROWN. Who resisted the manager interest in earlier distributions of funds to individual stations? You indicated there had been a difference of opinion, that the managers preferred to have a larger amount of funds distributed to the local stations but that was resisted by the Corporation for Public Broadcasting.

Mr. MACY. The reference I made was to consultations with the managers' council last September, at which time the managers expressed the view that a larger share of the 1972 funds should be assigned to station grants rather than to national programing.

Mr. BROWN. Apparently there have been some differences of opinion about earlier distribution. You mentioned the fact that they felt that there should have been earlier distribution, and I am wondering why the Corporation for Public Broadcasting was not aware of that or decided not to take that action.

Mr. MACY. The Corporation has increased the amount of funds, over the period of its existence, made available in grants to the stations.

Mr. BROWN. That is not responsive to my question. My question is: Were you not aware that they felt there should have been a larger distribution of funds to the stations earlier as suggested, or were you aware of it and decided that that was not the best policy for CPB to follow?

Mr. MACY. No. We became aware of it in the course of the past year, and our judgment was that we needed to establish the national interconnection and a minimum national distribution of programing. The stations earlier last year recommended that the schedule be only 2 hours a weekday night rather than 3 hours, and that reduction was made.

So there is an effort to be responsive to the stations' judgments, not only with respect to their own funding but the funding of national programing.

Mr. **Brown**. My time is up. I have some other questions, which I would like to ask you to respond to in writing unless we have time at the conclusion of the questioning by the other members.

Mr. **Macy**. Either way, I would be glad to handle it.

Mr. **Macdonald**. Mr. Tiernan.

Mr. **Tiernan**. Thank you. Mr. Pace and Mr. Macy, you appeared before this committee in April of 1970. Mr. Pace, in your statement at that time, you said the Corporation was created in order to provide leadership and strength in the development of a valuable public resource and to insure the independence of Government control or influence essential for education in home and classrooms.

Now, nowhere in your statement or Mr. Macy's statement today to this committee did you propose that the legislation presented by the chairman or myself come to grips with regard to what you, in April of 1970, said was that the prime priority of the Corporation should be that permanent financing of this Corporation be established.

You, as the chairman of the board, in your statement today, make no reference to any attempt to meet this goal. You, Mr. President, as the president of this Corporation, said the primary responsibility of you and your staff was to present to this committee a plan for permanent financing.

We have never received that from you or the board. Why do you come before us again? You know that we reported out an authorization in 1970 of 2 years on the basis that you were to come back before this committee and present a plan for permanent financing. You both were here.

You know that the chairman went along with the Senate and the committee and the House went along with the Senate for 2 years of authorization on the explicit, or at least implied, understanding that you were going to have a permanent financing plan to present to the Congress.

Now, we haven't had that to date, and we haven't had any response to my bill which was put in the Congress in September of 1970. I presented a bill. We tried to get comments. We have not received those comments yet. The bill I put in this session took out the excise tax because it had run into resistance by a member of your board, which was communicated to me.

But I suggest to you that the board of directors of this Corporation and the president certainly have not shown any leadership or strength in the direction of this Corporation, because it is clear from the press that your Corporation has been put under tremendous pressure by the statements of Mr. Whitehead and other individuals from this administration not to get involved in controversial matters. Even a member of your organization said that it might jeopardize the whole future of public broadcasting.

Would you comment on that? Either one or both.

Mr. **Macy**. Let me respond, if I may, Mr. Tiernan, with respect to your bill and the Corporation's position on it. I believe we filed a report in May commenting with respect to H.R. 7443.

Mr. TIERNAN. Have you filed any recommendation with the chairman of this committee or chairman of the Senate committee with regard to proposing the financial arrangement for this?

Mr. MACY. No, we have not.

Mr. TIERNAN. Have you presented it to the administration?

Mr. MACY. We have been in communication with the administration endeavoring to develop a long-range financing plan for over a year.

Mr. TIERNAN. You said that to us in April of 1970.

Mr. MACY. And we are still at it.

Mr. TIERNAN. You are still at it? May I quote you in the statement in response to the chairman of this committee: "Mr. Chairman, I am very eager to get on with this. I view the necessity for permanent financing to be my top priority responsibility." And I can go on with the rest of your statement. Two years have passed and we still don't have any plan.

Mr. MACY. We have not been successful in working out a plan with the administration up to this time. It is still our top priority.

Mr. TIERNAN. How can you relate that with the statements we had from the gentleman as reported in the newspapers as a vice president, I believe, Mr. John Witherspoon? He comments that in straightforward political language, "Whitehead has declared that until public broadcasting shows signs of becoming what this administration wants it to be, this administration will oppose permanent financing for noncommercial television."

Mr. MACY. Since that time, we have had renewed discussion with the administration about long-range financing, and it continues to be our common goal. Our regret, as you know, Mr. Tiernan, is that we don't have a plan of that kind to discuss today. But I have indicated in my testimony that I believe the chairman's bill moves us very effectively in this direction and that I would urge that we proceed with that bill as a basis of movement toward long-range financing.

Mr. TIERNAN. Mr. Macy, you certainly don't find much difference between the chairman's bill and the annual appropriations bills that we passed now since 1967 setting up your corporation; do you?

Mr. MACY. Yes, I feel there are features in the chairman's bill——

Mr. TIERNAN. With regard to an operating fund for the Corporation for Public Broadcasting, where does it insulate you from influence by the Congress? In what respect, would you tell me?

Mr. MACY. I feel that the establishment of a multiyear program with specific amounts in it provides a pattern for further development of public broadcasting that is preferable to the annual authorization and appropriation process.

Mr. TIERNAN. Mr. Macy, when you testified before this committee in April of 1970, the bill before us provided for a 3-year authorization. So there is no difference between what is before this committee today and what was before us in April of 1970. You recognize that your prime responsibility was to present a plan of permanent financing.

Mr. MACY. No; I think that there has been substantial progress in the bill over the one that was presented in 1970 because it does provide for a pattern of growth based upon a matching of a portion of the total non-Federal funds of the Public Broadcasting System. It provides, by that means, an incentive for continuing the growth of funding that flows from State and local government, from individuals and groups at the community level. So I think it is a step forward.

I wish we had reached a point where there could be presented to you a definitive long-range plan. But I feel that the bill that is under consideration represents a feasible approach.

Mr. Tiernan. Well, you know that the administration is going to have another proposal presented to this Congress today by Mr. Brown? Are you aware of that proposal?

Mr. Brown. I beg your pardon. Would you yield.

Mr. Tiernan. No, I don't yield at this time. I have limited time.

Are you aware of that proposal?

Mr. Macy. I am aware of Mr. Brown's proposal. I am not aware that that is the administration's proposal.

Mr. Brown. Neither am I.

Mr. Macdonald. The committee will stay in order and I will recognize the gentleman from Ohio.

Mr. Tiernan. I apologize to my colleague. It was my understanding it was with the administration's consent.

Mr. Brown. Thank you very much.

Mr. Tiernan. I thought, being of the same party, it might be with the administration's blessing.

But, Mr. Macy, I have been a supporter of public broadcasting all of the time I have been on this committee, and it seems to me that you, as president, and Mr. Pace, as chairman of the board, are certainly trying to do what has been the objective of setting up this Corporation—that is, to try to give the independent noncommercial stations throughout this country a voice that would be insulated from political pressure.

This is one of the things that we have been trying, and the chairman, Mr. Macdonald, has been trying to get. But we cannot do it when we put legislative proposals in and we get comments back that it is not good.

Now, for 3 years, you have indicated that the Corporation has been trying to develop a plan. It seems to me we are running out of time. This is the reason why I wanted the 1-year authorization 2 years ago, because you would then have to come back to face it. This year the bill provides for 5-year authorization which I don't know that the full committee will accept. If it does, fine, but it seems to me that we are just postponing the inevitable day; and now that you are coming into a presidential election year, you may or may not have a new administration. If you do, then we are going to start the ball game all over again.

Let me ask you, on another point: Have you been able to secure any reduction in the rates with A.T. & T.?

Mr. Macy. Yes; Mr. Tiernan. The FCC ruled June 3 that the rates for interconnection of television stations, 110 points, could be on a basis that would represent approximately 30 percent of the commercial rate. They further, in view of the limited financial resources of the Corporation, agreed to a series of steps up to that amount. That was what I referred to in my statement about the million-dollar increase each year in order to get up to that figure.

Mr. Tiernan. So, that takes effect in June or July of this year?

Mr. MACY. No; it was in effect last July at $2 million. It goes to $3 million in 1973 and $4 million in 1974.

Mr. TIERNAN. Reductions or costs?

Mr. MACY. These are increases in the amount that we pay for the service. The $4.9 million, which is the rate authorized when we reach it, will be in the neighborhood of 30 to 35 percent of the commercial cost of that service.

Mr. TIERNAN. Now, you negotiated that over a period of 3 years; is that correct?

Mr. MACY. Yes; that was another one that took a long time.

Mr. TIERNAN. No retroactive effect?

Mr. MACY. No.

Mr. TIERNAN. So the longer we negotiate, the more advantageous it is?

Mr. MACY. We felt we had reached the omega on the length of time.

Mr. PACE. Mr. Chairman, may I comment?

Mr. MACDONALD. Do you have something to comment about?

Mr. PACE. If I may, Mr. Chairman. I don't think the thought ought to be left that Mr. Macy has not been assiduous in seeking long-range financing. He has brought it before the board on numerous occasions. We have been in discussion over a long period of time. I want to share with Mr. Macy the responsibility for not having gotten this before this committee.

Mr. MACDONALD. Well, before I recognize Mr. Collins, which I will do right away, could I have a comment about the Corporation as to whether you are happy with the present situation? Most of the things Mr. Tiernan said were exactly correct. Can you take a public position as to whether you are happy with the present situation?

Mr. MACY. Our position in supporting your bill represents a position of urging change in order to have financing that is more assured of greater continuity and with a further degree of insulation from the annual appropriation process.

Mr. MACDONALD. I don't mean to be a lawyer or anything, but merely answer my question: Are you happy with it or unhappy with it? Are you happy or unhappy under the present sort of almost monthly-yearly gun that you have to go under with the Congress and other people in the administration?

Mr. MACY. The Corporation's view is that long-range financing has to be the ultimate answer and will not be satisfied until that——

Mr. MACDONALD. I understand what you are saying. But I am not getting an answer to my question. Are you unhappy about the present situation where you have to come up here each year, that a speech in a southern city or somewhere can drive a wedge into your organization that would not be present if you had permanent financing?

You have made a fine statement and you are all very knowledgeable people, but you have never really said that you can't do the job that you were set up to do if people were going to go to various places and make speeches to influence you. Can you live under the present situation and do the job that you think you could do if this "gun" was taken away from your head?

Mr. MACY. We can do the job if we have to, but we need to progress toward long-range financing in order to assure the higher level of funding and the increased legislation.

Mr. MACDONALD. And, therefore, not you, Mr. Macy, but the board and everybody that represents a broad spectrum of life in the United States—aren't you unhappy trying to live with this and do a job?

Mr. MACY. We would prefer to have the long-range financing.

Mr. MACDONALD. Are you happy or unhappy?

Mr. MACY. I am unhappy, then.

Mr. MACDONALD. Mr. Collins is recognized.

Mr. BROWN. Will you yield?

Mr. COLLINS. Yes.

Mr. BROWN. There used to be an entertainer in Ohio by the name of Ted Lewis with a crushed tophat whose famous line was: "Is everybody happy?" I guess the chairman's line now is: "Is everybody unhappy?"

Mr. MACDONALD. The gentleman from Texas, Mr. Collins.

Mr. COLLINS. It has been brought out that it would be highly desirable in public broadcasting if you were both completely independent and had a long-range financing plan. My colleague from Rhode Island has outlined one plan that provides $550 million.

From my own viewpoint, I really wonder whether or not the Federal Government has a responsibility at all in public broadcasting. In other words, you could have a financial long-range plan and not count us in so you would be completely independent.

The reason I say that is because in our own community, we have five television stations, we have two daily newspapers, 12 suburban papers, 15 radio stations, and 100 magazines, and I wonder why this is the responsibility of the Federal Government to finance more TV stations and help in your long-range financing.

Mr. MACY. The view, Mr. Collins, is that this is a supplementary service for the public in the Dallas community and in many other communities across the country, that in order to sustain it, the existing contributions from that community in support of the public station require implementation of funds or augmentation of funds from the Federal Treasury.

Mr. COLLINS. Just what essential services does public broadcasting give our community?

Mr. MACY. To respond to this in general, it is providing a certain number of hours of instructional television into the schools, and it is providing public service in the form of programing that is provided by the local station to reflect the needs of the community.

As I recall it, the Dallas station did a series on the development of the Dallas plan. It provides information with respect to the operations of Government activities in that area that are not available in other forms, and it provides certain national programing services in the cultural and informational fields that are in response to the interest of the public.

Mr. COLLINS. Do you feel your major responsibility is education or to provide community service?

Mr. MACY. I feel it is a combination of the two. I think it is education and public service that we are endeavoring to provide. But the public service has a very decided educational content as well.

Mr. COLLINS. Thank you, Mr. Chairman.

Mr. MACDONALD. Thank you, gentlemen. As you know, the House is in session. We will reconvene at 2 o'clock. If you gentlemen can be available, there might be some more questions. I don't know what, but maybe. Also, we will call Mr. Rogers from Dallas, Tex., Mr. Siegel, Mr. Ives, and Mr. Ouzts.

The hearing is adjourned until 2 o'clock.

(Whereupon, at 12:10 p.m., the subcommittee adjourned, to reconvene at 2 p.m. the same day.)

AFTER RECESS

(The subcommittee reconvened at 2 p.m., Hon. Torbert H. Macdonald, chairman, presiding.)

Mr. MACDONALD. The hearings will resume.

We will return to the panel for the Corporation for Public Broadcasting who were testifying.

I believe Mr. Collins was the last member of the committee who had questions. I recognize the gentleman from Florida, Mr. Frey.

Mr. FREY. Thank you, Mr. Chairman.

Welcome. I just wanted to go on record as saying that if there are any more of these $85,000 jobs, I would be delighted to be considered for some of them.

But I think it is important that we explore the question of some of these jobs that have received publicity lately, how it happened and what your plans are now regarding this type of thing.

Would you comment on these for the record, please?

Mr. PACE. We have followed in the Corporation a policy of basic decentralization. As we indicated earlier, we give money to the stations. We like to have an indication of where they are going to spend it. But how they spend it, who they hire to handle it, has been something that we felt, really, was broadly outside of our purview.

We have discovered, however, that irrespective of what happens—and in these cases we frankly have not ourselves been part of the decisionmaking process—we find that it is, in the long run, the Corporation for Public Broadcasting that is blamed for what is considered to be inadequacy of judgment by independent local licensees.

Therefore, our action, in relationship to the salaries—and this was discussed at the board—we felt, as far as public funds were concerned, we should review any funds above $36,000 of Federal funds to be expended. We would consider the individual case and reach the conclusion that it should or should not be done.

We likewise find in certain areas of programing that we are consistently challenged in terms of our judgment. We want to leave the maximum amount of freedom to the stations and yet, on the other hand, we have to have a greater awareness of the general approach to programing.

Mr. FREY. If I could stop you on this for a moment. I know what you are getting to. From listening to the discussion before it is clear that your market, and the people you are aiming for are not those in the commercial market as such.

In other words, it is not the fourth major network we are talking about; it is another function, and I suppose if I had to coin one word, I guess it would be "education" on a broad basis.

The part of this problem that raises its ugly head is how do you draw a line between what is education on the one hand, and getting into political areas on the other. Whoever figures out how to do that will probably get a little bit in the Bible.

I guess it is something that has to be done, and I assume this is one of the major problems that you do have and that you must deal with.

Mr. PACE. There is no doubt about it, and I would like to let John respond. From my own point of view—and I think I reflect the position of the board—we believe one of the great contributions of what you call public or instructional television is to provide an educational function, specifically in the instructional area, but generally by programs that are educational.

I would say, for my own purposes, that one of the most instructional things I have seen was "Civilisation." It brought to viewers a greater sense of our cultural antecedents than any single program of which I am aware.

That cannot be classed as education, but fundamentally you are a broader gaged human being for having viewed it.

Mr. FREY. Before I get to that there is one thing that does bother me. We have this tool, educational television, that is not being used. Colleges are not using the tool through public television. There is not one school in the Nation that is teaching or instructing in how to use this medium in terms of the instruction itself.

I don't know why this is true but it has not been used properly to my knowledge.

Mr. MACY. Let me mention—and I only want to take a minute on it—part of our ongoing consultation with the educators and broadcasters is to identify those educational programs which will be beneficial for local application, because clearly we are not talking about the development of a national curriculum. In this country the tradition is local decision with respect to curriculum.

Instead we are trying to provide some educational programing resources through television that can be utilized to a substantial degree by the public stations in serving the communities where they exist. One of our future goals is to commit a larger portion of our resources to that particular area.

Mr. FREY. I think that is a good thing. I have been reading the background material you submitted with your statement, and you have had some interesting things written in this area.

I guess it was in Congressional Quarterly, the December 11 issue, they were quoting Mr. Singer who was talking about this problem and the plea for pluralism versus localism, and he says: "It is dominated"—talking about public broadcasting—"by the Corporation for Public Broadcasting and the Public Broadcasting Service and the Ford Foundation. What goes on the air on the system is what these institutions approve."

As a fairly new member of the committee, I would appreciate your comments on that. That is a rather interesting statement.

Mr. MACY. Yes, Mr. Singer's statement has a number of interesting assertions in it. Our belief is that the Corporation for Public Broadcasting, as a funder of national programing, needs to have the kind of assurance that Mr. Pace spoke of as to how the funds are going to be used in the development of programing which meets the standard of excellence and diversity for the system.

The Public Broadcasting Service has been created as a station member Corporation to reflect the views of the local communities in the development of program decisions for the system.

We don't feel that this is dominated by the Corporation. We feel that we are trying to walk a narrow line between accountability for the funds we are providing and at the same time the optimum degree of creative discretion on the part of the producers.

Mr. **Frey**. Let me ask you the tough questions. One of the things that is important to this hearing——

Mr. **Macdonald**. Will the gentleman yield for the record? I don't know who Mr. Singer is.

Mr. **Frey**. Arthur Singer, Jr.

Mr. **Macy**. Arthur Singer is employed by the Sloan Foundation and has prepared a paper for one of the public broadcasting meetings last June which was an assessment of where public broadcasting stood.

Mr. **Macdonald**. That is what he did, but who is he?

Mr. **Macy**. He is a writer and scholar who was involved on the staff of the Carnegie Commission.

Mr. **Frey**. One of the things we are considering is the legitimate need for money to further the funding of public broadcasting. You are here asking for more money over a period of time, do you feel at present that you are too vulnerable to any foundation or any outside group for money? Do you think this is a problem?

Mr. **Macy**. I don't think it is a problem. I think it is very important that we recognize the important role that the Ford Foundation has played in providing support for public broadcasting.

In the national programing which the foundation funds there is close collaboration with the Corporation and with PBS, and a desire on the part of the foundation to reflect the needs of the systems in the programs that it provides.

I think if Mr. Bundy were here, he would want to indicate that it is the desire of the foundation to withdraw its funding for public broadcasting over a period of time as the Corporation and the total system has the funds to continue.

Mr. **Frey**. I was looking for an argument for more money. You aren't helping me much. Would you assume this is what is happening, that the funds will be withdrawn if we get more money?

Mr. **Macy**. Yes.

Mr. **Pace**. I think there is no doubt about it. I think they have the greatest anxiety to withdraw it.

Mr. **Frey**. If I may continue this, why would they withdraw the funds?

Mr. **Macy**. They feel that their role to assist in the development of this system would be completed and fulfilled as there is adequate funding for the Corporation: that they should phase out of this and use their funds in other activities.

Mr. **Frey**. I think I have used my time.

Thank you, Mr. Chairman.

Mr. **Macdonald**. Mr. Springer.

Mr. **Springer**. As you well know, I have talked with both of you on several occasions in the beginning about what you are going to do. I think we ought to narrow this as to what the problem is.

There hasn't been any problem insofar as I know in the broad fields of culture, music, ballet, drama, art, whatever you want to call it in that field.

Your problems only arose when you came down to this one point of what you are going to do about news. Now that is the crux of all of this. Am I right?

Mr. PACE. Right.

Mr. SPRINGER. Now, the crux is news. We knew this when we drew the act, and we drew the act in accordance with what we thought your organization concerned itself with, that is, for public television, when they had the amendment up. I had them in the office and it was my amendment, and we put it in section 396(G)(1)(a).

You are probably familiar with this, but to get it before everybody in the press and before this committee, it reads as follows:

> (1)(a) Facilitate the full development of educational broadcasting in which programs of high quality obtained from diversified sources to be made available to noncommercial educational television or radio broadcast stations.

Now, these are the words "with strict adherence." It doesn't say to "adhere." It says "with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

You have had two such programs which I have observed. One has been "The Advocates." Can it be more impartial? If it can, I don't know how it can be done.

The other is the "Buckley Program." There is Buckley on one side, but Kunstler is on the other.

As another instance, McCloskey and Al Lowenstein are on the two sides. Now, you can't make it any more objective than that on Vietnam.

I haven't had a single complaint on either one of those programs. I would go after Buckley if I ever saw him, if I thought he was not going down the middle and not providing the other side of the question.

I think the second question is how much supervision are you giving. Let me ask you this: In the creation of the National Public Affairs Center for Television, NPACT, an affiliate of WETA-TV in Washington, how much did your board consider that, before you entered into that contract? How much did your board give to this?

Mr. PACE. You are talking about the Corporation?

Mr. SPRINGER. I am talking about the program.

Mr. PACE. You are asking the board of directors as opposed to the managers?

Mr. SPRINGER. That is correct. You have already given them a total of $1,250,000 on a whole grant of $1,600,000; is that correct?

Mr. PACE. That is correct.

Mr. SPRINGER. Now, how did you consider that program before you entered into that contract? What consideration was given?

Mr. MACY. Mr. Springer, the development of the national center was prompted by a desire within public broadcasting in the Corporation staff and in PBS to bring together in Washington the programing activities that related to Washington issues.

We already had on the air, produced by WETA, a program called "Washington Week in Review" and a program called "Thirty Minutes

With." These programs were produced by WETA with joint financing from the Corporation and the Ford Foundation.

The National Public Affairs Center for Television was formed with the leadership of the WETA station in order to put those programs in that particular unit and to merge the special projects units of NET that had operated in Washington.

In other words, this was an effort to bring together two operations in public broadcasting that were performing roughly the same service in Washington.

This was discussed with the chairman of the board of the station who became the chairman of the board of the new center, and a budget was developed with him by the Corporation staff. That budget included these ongoing programs, plus additional programing in the public affairs area that would originate here in Washington.

Mr. SPRINGER. Now, let us assume you did all of that. Did you know the personnel they were going to hire?

Mr. MACY. We knew the general manager that they were proposing to hire because he was already in the system.

Mr. SPRINGER. I am not talking about the general manager, but did you know——

Mr. MACY. As far as the talent was concerned, that was a decision made by the leadership of the new center. The Corporation was advised after the decision was made by the center as to how they would staff for that particular operation.

Mr. SPRINGER. Did they tell you who they were going to staff?

Mr. MACY. They told us after they had completed their arrangements.

Mr. MACDONALD. Would the gentleman yield for a question?

Mr. SPRINGER. I yield.

Mr. MACDONALD. I think it would be helpful if you would spell out, if Mr. Springer would permit it, the operation by which the Corporation deals with local stations. I don't think that is terribly clear to me or to other members of the subcommittee. I think it is a well-taken point that Mr. Springer is trying to bring out.

Mr. MACY. The Corporation, insofar as national programing is concerned, has pursued a policy of providing funds to stations to develop programs for the national schedule. This has been done in conjunction with PBS. Funds are provided to those stations on the basis of broad program outlines that are made available to the Corporation and PBS, and then funds are made available out of the Corporation's allotment for national programing to those stations. They proceed then to develop the talent, provide the format and determine the editorial content of the program that is going to be made available.

Mr. SPRINGER. Now, let me ask you, who enforces this provision, this section of the law which is mandatory, "strict adherence to objectivity and balance in all programs or series of programs of a controversial nature"? Whose job is it to enforce those words?

Mr. MACY. Now, those words are incorporated in the grant documents that are made to these production centers so that there is an awareness of those standards on the part of the producer utilizing these funds to develop national programing.

Mr. SPRINGER. In this instance did you go into who they were going to hire as a part of this NPACT operation?

Mr. MACY. That was done subsequent to the determination of the broad programing that they were going to achieve. We delegated that to the center.

Mr. SPRINGER. Let me ask you: Is it your responsibility to see that this is adhered to, or are you relieving yourself of that responsibility when you enter into a contract with WETA?

Mr. MACY. No, that does not relieve us of the responsibility to adhere to the standards. We have, in the Public Broadcasting Service, the review process to assure that programs of this kind coming to the network meet those standards.

We also have, in addition to the language in the grant conditions, standards that are, that have been developed by the centers which relate to journalism and are in conformity with the standards that you cite.

Mr. SPRINGER. In this instance did it come to your attention before the contract was signed that Sander Vanocur was going to be one of the principal broadcasters?

Mr. MACY. Before the funds were made available?

Mr. SPRINGER. Yes.

Mr. MACY. No, it was subsequent to the first payment of funds to NPACT.

Mr. SPRINGER. Did you make any question about this? Did you raise any question about Sander Vanocur?

Mr. MACY. No, I did not.

Mr. SPRINGER. Did you, Mr. Pace?

Mr. PACE. I should pick up here at this point, Mr. Springer, and tell you, first, that the board itself was aware of the fact that there was a plan to develop a separate approach. It seemed sensible to us that no organization in New York should be operating in this area. It seemed sensible to us that it should be centered in the local station in Washington and, therefore, we subscribed to this particular approach.

We were not aware either of the nature of the program they were undertaking or whom they were planning to hire until well after we had signed the contract with NPACT and distributed the initial funds.

Mr. SPRINGER. Now, let me ask you at that point, have you changed your position with reference to contracts entered into in the future?

Mr. PACE. Let me say that about 9 months ago we set up a committee chaired by Jack Wrather with about five members on it to go into the proposition of how we fulfilled our responsibility under the law, generating something more than verbiage in a contract.

By and large, historically the Corporation had taken the position that to the degree it was possible, we wanted to decentralize authority and the exercise of that authority both in the stations and production centers.

In no instance, would we know what the salary of anybody was going to be. Nor would we know exactly what their programing was to be.

We feel, as I have indicated, that we are not really in a position to exercise our responsibility under the law without taking further steps to insure that we are informed. You are aware that we took the step of requiring that for any sum above $36,000 for salary Federal funds would have to be approved by the board of directors.

Mr. SPRINGER. I am willing to concede to that, Mr. Pace, but we are not getting to the point here. What I am trying to point out is where do you think responsibility under this law ends?

Mr. PACE. Quite frankly, the problem, as you know very well, is your ability to exercise your responsibility. When you are managing a system that involves 219 stations, and 110 radio stations, the ability of a board to review every program that comes on the air is just a physical impossibility.

Mr. SPRINGER. Now, you know very well they are not going to do that. We are creating here—and I think we ought to be right up to the record and admit what it is—that the National Public Affairs Center for Television was going to provide a program to every educational station of a news program here in Washington that would be available. Now, that is almost the same as a network production. Are we agreed on that? At least it is available as a network production.

Mr. PACE. It is available as a network production.

Mr. SPRINGER. Now, at that point, I take it, at least the best that I can make out, you feel you don't have any responsibility once the grant is made?

Mr. PACE. I wouldn't say that. We have a very clear feeling that we have to evolve a method of achieving, as far as is possible, fairness and objectivity. That is the law. We are your instrument. The means of achieving it is extremely difficult.

I would say to you, among other things, that one of the things that the board has to do is to review and determine their own sense of the priorities in each of these programs to decide whether they think this is an area in which public broadcasting ought to be engaged. That is item No. 1.

Item No. 2, working with the stations—because this has to be a matter of self-discipline in my estimation, at least as much as it is a matter of applied discipline—we have to come to an agreed-upon set of rules of objectivity and fairness.

If those rules are violated, then our only recourse under those circumstances is to meet it by not recognizing, in terms of funding, those organizations in that area in the future.

Mr. SPRINGER. All right. I am just wondering whether you ought not to think about this before the contract is executed and go over the contract. Now, let me just tell you why.

Mr. PACE. We couldn't agree with you more.

Mr. SPRINGER. At least I am glad to hear you are thinking in those terms. I want to put this on the record. Now, I don't know Sander Vanocur, and I have never met him before in my life that I know about.

Mr. MACDONALD. The gentleman has been pursuing a very reasonable line of questioning, but I point out to the gentleman reluctantly that we have many other witnesses and we have been operating on the 5-minute rule.

Mr. SPRINGER. Mr. Chairman, I am just getting to the real—it took me all of the time to get around to the point—point of what I want to make in all of the questions I am asking.

Mr. Macdonald. I ask the gentleman from Illinois if it can be done in 1 more minute?

Mr. Springer. I think it can be done in 3.

Mr. Macdonald. The gentleman has 2.

Mr. Springer. Let me read into the record what this gentleman said on September 17, 1971, in a speech at Duke University which is reported in the Durham Herald:

> President Johnson lied. Kennedy lied, too, but not as blatantly. Nixon lies all of the time. Lies are his version of truth—Lies.

Now, let me come down. I want it all to go into the record, but I want to bring this part out. Quoting Sander Vanocur:

> I think we have to get back to the cantankerous, Menckenesque position, where the only way you look at a politician is down your nose.

Mr. Springer. Now, do you believe that a man who could utter these words is in a psychological frame of mind where he can comply with this law? That is my question, Mr. Pace.

Mr. Pace. My answer to you is that I certainly don't share his point of view, Mr. Springer. I did not play any part in his selection or hiring. Like yourself, I do not know him. This does not strike me as the kind of objectivity that we are seeking.

I want to get on to the broader principle you have raised, because it is a critical one. And, Mr. Chairman, I would take only a minute of your time.

We in the Corporation on the board are dedicated to trying to achieve exactly what you have suggested. No one is more familiar than this committee with the difficulty of doing it. We are determined now to take a more active role in that regard.

The result will not, in any sense of the word, be perfect because it isn't possible to execute it perfectly, but we intend to take a more active role. This will be resisted and to a certain extent resented by people who participate in this area, because they properly cherish their freedom.

I know of no other way—and you put the question very hard and directly to me—to solve the problem other than to accept the responsibility for trying to evolve a system that will work.

Mr. Springer. Mr. President, you have answered the question as I thought you were going to.

(The article referred to follows:)

[From the Durham, N.C., Herald, Sept. 17, 1971]

EX-CORRESPONDENT CUFFS MEDIA VIEWS

(By Araminta Johnston, Herald Staff Writer)

Sander Vanocur unburdened himself at Duke University Thursday.

In his first public appearance since leaving NBC last week after 15 years with that network, Vanocur told Duke University students what he believes is wrong with the news media today.

Speaking very personally of his reasons for leaving the network, he told the group, "It was not the unknown that frightened me. I was terrified by the known."

"What terrified me was that I began to feel that television was not the power that I thought it was. I felt like I was just rewriting the wires and reading it on the air," Vanocur said.

"I thought television had become a transmission belt for government. I think it became a transmission belt in the name of objectivity—a transmission belt for the views of those in power," he said.

"Objectivity meant you had to say that if we didn't intervene in Vietnam, Southeast Asia would fall like dominos—and never say what a child knows: that dominos can fall either way.

"I found as the years went by that I had become more and more out of tune with what my colleagues were saying about this country," he said.

"I was the house radical; I was the dancing bear. You took the bear out of the cage and he said terrible things and then you put him back in the cage again.

"The point came when I decided that if I couldn't do news like I want to, then I would have to leave," Vanocur said.

"I don't want to leave you with the impression that I was the sacrificial lamb. There were other people who wanted to do it, but they couldn't because of something in the system. I want you to understand that it's very complex," he said.

"I have come to the conclusion that all governments lie. I don't know if they do it intentionally, but it comes out as a lie or a distortion," the former correspondent said.

"President Johnson lied, Kennedy lied too, but not as blantantly. Nixon lies all the time. Lies are his version of truth—lies.

But he added, "I don't think it does anybody any good to call the president of the United States a liar. There's got to be some kind of respect for authority. But what do you say, how do you say it?

"If we had been saying 'lies' about Vietnam maybe all those people wouldn't have been killed—I don't know," he lamented.

"I think we've got a start reporting subjectively. Objectivity to me is just taking the establishment's point of view—whether it's the Black Panthers or the Young Lords," Vanocur said.

"What are the psychological factors about our leaders and why can't we report them?" he asked.

A stinging comment about Nixon brought laughter from the audience but Vanocur responded, "I don't mean these as cheap shots—I mean why can't we talk about these things on television."

"I think we have to get back to the cantankerous Menckenesque position, where the only way you look at a politician is down your nose," he said.

Asked if he thought subjective reporting would confuse the public, Vanocur said, "I think they're confused now."

"What you ought to do is to present a wide enough range of opinions so that you aren't just funneling official points of view," he recommended.

Speaking of presidential news conferences, Vanocur termed them "an unequal situation."

"The presidency has such power. You've sitting in his living room. You're sort of a guest in someone else's living room and you start getting nasty with the President of the United States . . . now, think about it.

Asked if he thinks the public wants the truth, he said, "People don't want to know the truth, but they've got to believe it."

Of My Lai he said, "They just couldn't believe that one of their boys could kill all those people, but they've got to realize it."

Mr. SPRINGER. Mr. Macy, do you subscribe to the position of Mr. Pace?

Mr. MACY. I do, indeed, and Mr. Springer——

Mr. MACDONALD. The time has expired. Answer the question, and we will go on. The time of the gentleman has expired.

Mr. SPRINGER. May I ask one further question?

Mr. MACDONALD. Yes.

Mr. SPRINGER. To the best of your ability, you will assure this committee that this law with reference to objectivity and balance will be obeyed?

Mr. MACY. Yes, indeed.

Mr. SPRINGER. I thank you, Mr. Chairman.

Mr. MACDONALD. I would think that it would be a good idea that perhaps, after all of the other testimony has been taken, that the Corporation would be available to come back for further questioning after today. We have a number of witnesses who have come from all over the country.

At this point I was about to excuse the panel. Of course, I will yield to the gentleman from Rhode Island for a question or so. But we have many other witnesses.

Mr. Tiernan. I am aware of that, Mr. Chairman. I appreciate the indulgence of the chairman because I think at this point in the record I would like to ask Mr. Macy and Mr. Pace some questions with regard to their response to Mr. Springer.

Is it my understanding from your statement that you are going to scrutinize the requests for grants from local stations in the future? What do you mean by "more actively participating in these requests?"

Mr. Page. To a higher degree. What I mean is that the programs that, generally speaking, most nearly reflect the requirements that Mr. Springer was raising are national programs. They are programs that go on the national interconnection.

It would be my assumption that we would undertake to know a little more in advance the nature of these programs than we have known in the past.

Now, again—and I made every effort to be always fair with this committee—the ability of a board of directors that meets an average of about once every 2 months with an executive committee that meets between times and a program committee that meets between times to cover the whole field just isn't there.

But to the degree that the staff can identify areas that constitute problems in fairness and objectivity, which is the law, we intend to review those.

Now, as far as the local stations are concerned, unless there were something of an unusual nature, I would not think the review process would be necessary. Have I stated this correctly?

Mr. Macy. Yes, indeed.

Mr. Tiernan. This service that you are providing is made available to all local stations, is that correct?

Mr. Pace. That is correct.

Mr. Macy. That is correct.

Mr. Tiernan. And the responsibility is on the local managers as to whether or not they meet the requirement in the law, also, isn't it?

Mr. Pace. That is correct.

Mr. Tiernan. So if in fact you make a judgment in advance, you, then, impose your judgment on the local licensee as to whether or not there is a balance in the program that is presented for them to decide whether or not they are going to use it on their station; isn't that true?

Mr. Pace. Only, I would say, in situations where the objectivity was clearly in question. Now, somebody has to make an ultimate judgment. In this case, I would say to you that the situations involving local stations would, indeed, be rare. If I were to say to you that they were nonexistent, then I could not be consistent to my answer to Mr. Springer about the responsibility of the Corporation to see that things are fair and objective.

I will only say that nobody can determine objectivity and fairness except from a personal point of view. That is where you run into difficulty. But I think there are cases that are clearly and identifiably nonobjective. We have 15 members on this board of directors, all experienced, of every political inclination and without any ax to grind. If you are going to ask anyone to make an objective assessment, I think this group is as good as any I can think of.

Mr. Macdonald. Would the gentleman from Rhode Island yield?

Mr. Tiernan. Yes.

Mr. Macdonald. Have you ever felt under any pressure from the Federal Government of how both you and the Corporation should conduct its business?

Mr. Pace. The answer to that is "No."

Mr. Macy. I agree to that, there has been no pressure from the Federal Government on how we should operate.

Mr. Macdonald. If I could just pursue that, if the gentleman would yield further, how about a speech from a member who purports to represent the administration driving a wedge between the Corporation and the local stations? That has no effect on you?

Mr. Macy. Not on my judgment, Mr. Chairman.

Mr. Macdonald. I am not talking about you personally.

Mr. Macy. I am talking about on the board.

Mr. Macdonald. Nor the Corporation?

Mr. Macy. Nor the Corporation's judgment. Let me tell you exactly how I view that. I have thought about it a great deal, and I have identified my position to the board, which has accepted it.

I feel that the President of the United States, speaking through his authorized representatives, is perfectly entitled to identify, broadly speaking——

Mr. Macdonald. That is a great answer. But who is his spokesman?

Mr. Pace. That I can't answer, sir. I can only say——

Mr. Macdonald. How can you react to somebody you don't know who is spokesman for the administration?

Mr. Pace. All I can say is that when we receive information——

Mr. Macdonald. Well, the Congress set up the FCC to regulate communications, and that is the business you are in.

Mr. Pace. That is correct, sir.

Mr. Macdonald. Who does run the thing for the administration, if it is not Dean Burch, who is Chairman?

Mr. Pace. You are asking questions beyond my competence.

Mr. Macdonald. I am not. I am not saying you are incompetent, but if you don't know the answer to that, you ought to find it out.

Mr. Pace. I am not in a position to identify who is speaking for the President. I assume that anyone who is representing the President is speaking for him, and I take the position that whatever is said is a factor which should be considered along with all other factors by a board of the Corporation in reaching its decisions. It is not a factor that is or should be controlling, compelling, Mr. Chairman, but I have not, myself, felt, but I have discussed this——

Mr. Macdonald. I understand that, Mr. Pace, and time runs on. I am just saying: Who does the board listen to as a spokesman for the administration in communication matters?

Mr. Pace. I would say we listen both to the Federal Communications and OTP. I think——

Mr. Macdonald. What if they are saying diverse things, which have been said?

Mr. Pace. That makes the problem a little more complicated here.

Mr. Macdonald. That is why I have asked the question.

Mr. Pace. I have to give you the answer that it does make it a little complicated. However, I must say this is a tremendously complicated business. We have undertaken, because you have 14 people unpaid, nonpartisan, only moved by a desire to see this thing succeed, every possible element of fairness that we can.

Mr. Macdonald. I am not talking about 14 people who comprise the board who are very great citizens of this country, from all aspects, as we discussed this morning. I am saying when a pronouncement comes from the Federal Government, the administration, whom do you listen to? I am talking about the board.

Mr. Pace. I am afraid, Mr. Chairman, that we have to listen both to the Federal Communications Commission——

Mr. Macdonald. Whom do you pay more attention to? We all listen to them all.

Mr. Pace. That is an impossible question to answer.

Mr. Tiernan. Mr. Pace, may I suggest to you that Mr. Tom Whitehead who is the OTP Director stated:

> When I speak, it should be presumed that I speak for the administration.

Further, Mr. Whitehead, in an address in Miami, said that in his opinion public broadcasting should be an equally balanced platform for both local and national programing, rather than the nationally managed fourth network envisioned by many public TV enthusiasts.

Now, when you spoke of balance, were you speaking about fairness and balance of a program when you were speaking to Mr. Springer?

Mr. Pace. This is correct.

Mr. Tiernan. Mr. Springer brought in the fairness of a program and spoke about some speech made in Durham. When in your preparation of local programing, at your local station, would you take outside extraneous matters or would you look at the content of that program?

Mr. Pace. Obviously you would look at the content of the program.

Mr. Tiernan. Obviously. How come it is so important and significant to Mr. Springer that he brings in these outside statements to you? I think the exchange between you and my colleague from Illinois certainly clearly indicates the need for permanent financing to insulate the Corporation from outside pressure.

Mr. Macdonald. Could I just say, before I recognize the gentleman from California and then the gentleman from Illinois, I hope you don't listen to anybody. That is why we set you up as an independent board.

Mr. Springer and I participated directly in setting up educational broadcasting, as it was then called, and now called public broadcasting.

I would hope that you are going to do what the Congress set you up to do, which would be an independent board, and your proper answer to me, I think, should be: "We listen to people, but we are not persuaded by either side or any side."

You are supposed to be independent, and I hope you are, and if you are not, we ought to maybe get rid of the whole concept. If you listen to an administration, whether it is Democratic or Republican or anything else, you are not doing the function that the Congress set you up to do. So I am amazed at your answers, frankly.

Mr. Pace. If you are suggesting, Mr. Chairman, that by listening—you asked me the question who spoke for the administration. I said I did not know.

Mr. Macdonald. Right. Then I went on to say whom do you really listen to.

Mr. Pace. The answer is that in the board of directors of the Corporation the decisions that are made are completely independent, irrespective of who had said what.

We, obviously, have to have a great deal of information that comes in, from staff, from the station managers with whom we meet, from the statements that are made both in the Congress and the administration. But ultimately my judgment of independence is that when we make a decision, that decision is made solely on our own judgment as to what is best for public broadcasting.

I thank the chairman for allowing me to set that straight.

Mr. Macdonald. I am glad you do set it straight, because it is needed. Everyone has been talking about influence. We went into the WETA matter, which we held hearings specifically about, to further insulate public broadcasting from government pressures. I know the Congress has never pressured you. I hope neither administration that I have served under, since this bill has been in effect, pressured you.

You are set up to do a public job in the public interest, and as far as I know you are doing a good job. This is what these hearings are all about. If you aren't, I don't know. But that is what these hearings are about. But your answer to our questions about whom you listened to shook me a little.

Mr. Pace. Let me say that no decision made by the board of the Corporation for Public Broadcasting, for the 4 years I have been a part of it, has ever been influenced in any way, shape, or form by any outside influence, period, end of statement.

Mr. Macdonald. Mr. Van Deerlin.

Mr. Van Deerlin. In regard to what goes on the air, in addition to the fiat of public broadcasting law—for which Mr. Springer has proclaimed paternity—requiring evenhandedness, are you also not operating under the fairness doctrine of section 315 of the Communications Act and all other requirements?

Mr. Pace. We are, indeed.

Mr. Van Deerlin. And wouldn't you, Mr. Macy, feel you were not doing your job if any administration or any incumbent officeholder were 100-percent satisfied with everything they saw on your programing?

Mr. Macy. I would be startled if that were the case.

Mr. Van Deerlin. Were you glad you didn't produce the "Selling of the Pentagon?"

Mr. Macy. I am for the time being until we have something like that.

Mr. Van Deerlin. Thank you, Mr. Chairman.

Mr. Macdonald. Mr. Springer?

Mr. Springer. May I compliment you both on your forthrightness in speaking, and I think that I understand that both of you men are honorable men and you are trying to do a job. I am not exerting any pressure. I am bringing to you the importance of not just you, but the people to whom you make grants, obeying the law, and that is all in the world I want done. If that is done on this programing, you will not hear one word out of me—not one.

I thank you, Mr. Chairman.

Mr. MACDONALD. Thank you very much, gentlemen. I hope that you will be subject to the call of the Chair.

Mr. MACY. We will be available anytime you call.

Mr. MACDONALD. I congratulate you on the testimony.

At this point I will insert in the record a statement by Joseph A. Beirne, president, Communications Workers of America. Mr. Beirne is also a member of the board of directors of the Corporation for Public Broadcasting.

Without objection, it is so ordered.

(Mr. Beirne's prepared statement follows:)

STATEMENT OF JOSEPH A. BEIRNE, PRESIDENT, COMMUNICATIONS WORKERS OF AMERICA AND MEMBER, BOARD OF DIRECTORS, CORPORATION FOR PUBLIC BROADCASTING

Mr. Chairman, thank you for permitting me to submit my views on your bill, H.R. 11807, which is to provide improved financing for the Corporation for Public Broadcasting. I support your bill as a necessary step toward making the Corporation function as originally designed.

As a member of the Corporation's Board of Directors since its inception in March 1968, I have had many occasions to review the original intent of the Congress in its passage of the Public Broadcasting Act of 1967. The essence of that Act was that a non-Government Corporation would be established to provide the necessary leadership to publicly supported, that is, noncommercial broadcasting. The function of public broadcasting was, and is, to provide education in the broadest sense.

In order to fulfill that mission, the Congress intended that long-range financing for the Corporation be devised, in order to insulate public broadcasting from political pressures *and* to ensure that orderly planning could be accomplished. The Congress in 1967 understood that the annual processes of authorization and appropriation would hinder the development of public broadcasting. The Congress did not intend that the Corporation would operate in a free-wheeling manner; and it has not done so.

Public broadcasting is relatively new to the United States. In these last four years, I have wished for the Corporation to reach a high point of its development. But even in its underdeveloped state, the public broadcasting in the last four years has, in my view, had a decisive impact on what is offered on the commercial broadcast facilities. I believe that the commercial broadcasters have scheduled and produced a larger volume of public affairs programs as a direct result of the advent of public broadcasting, despite the latter's financial constraints. However, I realize progress sometimes takes more time. In the Corporation's case, I see that the chief significant fact of life that has impeded progress has been finance. That fact is not new to anyone who has to manage an organization, or to the Committee or to the Congress. Without proper financial backing, and without stability of finance over periods of time longer than a single year, progress always must be slowed. There can be the tendency to hold back on innovations, because anticipated funds may be not forthcoming or sharply reduced.

We should look again at what the Congress had in mind in 1967 when the Act was being considered. Were all of those favorable expressions in the House and Senate true and believed by the makers? For if those statements made by those Members of Congress at that time were true and believed, then the Congress itself now will quickly understand that those hopes and aspirations, the direction and the pregnant ideas behind the notion of the Corporation for Public Broadcasting will of necessity be held back; that the concepts of the Public

Broadcasting Act will wither and maybe even die unless proper and adequate funding is secured for the Corporation.

Many ideas have been put forth—from excise taxes on TV sets to revenues from a domestic satellite system to a carve-out of telephone service excises—as the means to raise the hundreds of millions of dollars needed for a truly first-class public broadcasting setup. Other ideas for true long-term financing undoubtedly will be presented to the Congress as it continues thinking and searching for a suitably adequate and fair method.

However, the Corporation should not be made to remain deprived as we all seek the right method of financing. H.R. 11807 provides a large measure of stability very much needed by the Corporation so that it can continue its very progressive role in leading the development of public TV and radio. Hence, I urge that the steps be taken to pass H.R. 11807, but without the kind of debate that would suggest that long-term financing must be determined as of now and on a permanent basis. I do not think we are ready with any plan that is acceptable to enough of the people and interests involved in public broadcasting. But this bill gives a sufficient degree of stability and permits advance planning which would be helpful in further development of the potential that actually exists in public broadcasting.

Mr. Macdonald. Our next witness is a very distinguished gentleman from Texas who will be introduced by our colleague from Dallas, Tex.

Mr. Collins. Thank you, Mr. Chairman.

I am proud to have the opportunity of introducing to my fellow members on this committee, Ralph Rogers, who is the type of Texan we are the most proud of because he was a Texan by choice. He was not born in Texas, but he came down because he liked the country.

He started his company from scratch. Most of you are familiar with it. It is known as Texas Industries. It is on the New York Stock Exchange, and it is one of the most successful companies in the Southwest.

He has been an outstanding civic leader. He has taken part in many things. He has built St. Mark's prep school which is a model in the country. He has been president of our Dallas Symphony, and he moved in as the chairman of the board and directs our channel 13, which is a most outstanding public broadcasting station.

I don't always agree with what he says, but I find that everything he says is always most interesting.

Ralph Rogers.

Mr. Macdonald. Thank you.

Mr. Rogers is chairman of the board of station KERA-TV of Dallas, Tex. Welcome, Mr. Rogers.

STATEMENT OF RALPH ROGERS, CHAIRMAN OF THE BOARD, STATION KERA-TV, DALLAS, TEX.

Mr. Rogers. Thank you, Mr. Chairman.

Thank you for that fine introduction. Let us hope we are as good friends after we finish as we are when we started.

I am very anxious that you understand the position and the people I represent today. You all know I am a businessman that can represent a businessman's point of view. My avocation is education, and I don't intend to tell you all of the places in which I serve, except that I am one of the founding trustees of the Children's Television Workshop and the nonpaid president of channel 13 in Dallas, which, according to the statistics, is the fastest growing station in the Nation.

Incidentally, at lunch today I was delighted when Mrs. Collins told me that when she is at home in Dallas it is the only station she ever listens to. So, since I have her on my side, perhaps I have an advocate.

However, today I appear by courtesy of the chairman of public television stations whose audience is in excess of 50 percent of all of public television households.

We met in New York, approximately 10 days ago, following which we presented our point of view to the board of directors of the Corporation for Public Broadcasting. I was asked to come down today and represent a point of view to you today which I don't believe you will hear from anyone else.

I am talking about representing your constituency and public television's constituency, who are the viewers and the listeners of public broadcasting.

The viewers are 50 million in number and growing. Our 500,000 of them already voluntarily support public broadcasting with their donations. And since we, the chairmen of these stations, are duly elected in the community by the members, we feel that we can, with propriety, represent the audience, the viewers to you, as distinguished, for example, from managers with whom you will come in contact who are professionals and sometimes reflect the viewpoint of the viewers or directors or sometimes they reflect their own viewpoint.

There are many of them, some outstanding and some who perhaps take it upon themselves to represent viewpoints which are not necessarily held by the viewers.

But when you have 50 million people who vote for you manually by turning the dial, you have a constituency, and when you have 500,000 who vote for you by taking out their checkbook and writing you a check, you have a constituency, and that is that constituency which we, as chairmen, through me, are representing to you today.

In addition to these people, there are thousands, tens of thousands of volunteers who man our telephones, lick our envelopes, buttonhole people for membership to try to keep us alive, because at this point in history public broadcasting stations are beggars, begging for the wherewithal to stay on the air.

Let us put this congressional support in perspective. In our home station, channel 13 at Dallas, the amount of grant which we get from CPB, which money you furnish to them, is enough to keep us on the air 2 days out of 365 days. It is an important 2 days—every 2 hours is important—but let us keep this in the proper perspective.

The money needed for public television is not being supplied by the Congress as envisioned in the Carnegie report; as envisioned in the bill that was adopted; and permanently insulated financing for public television is an absolute necessity and can be, and is already getting to be, the greatest constructive nonprofit institution in this country. So let us just keep that in perspective.

I didn't come here to criticize the CPB. I didn't come here to criticize managers. I didn't come here to criticize anybody.

Please remember you have an infant. Your infant is a few years old and it has done a great job. It has a great constituency and it will do a greater job. Let us keep nourishing that infant.

Since I have been on the CTW board, I have heard statements that all public television has to show as a success is Sesame Street. Of course, we are proud of Sesame Street. We even say, "Why didn't somebody else do it in television?" But that is not the point. We have got 50 million viewers and although 12 million of them are kids watching Sesame Street, there are 38 million more who watch other programs.

But we can learn a lesson from Sesame Street. Why is Sesame Street a success? Why is the "Electric Company," that is teaching children who have otherwise been failing to read, a success? It is a success because the need existed and was recognized. The talent was enlisted to write and produce, and the money to do it was supplied—$8 million to each of these programs, or those two programs put together, $16 million, which is equivalent to half of what Congress gave CPB last year approximately.

So we do know the secret of success: Identify the need, find the talent, and make the money available to do the job.

Mr. Macdonald. Sir, I know you have a prepared statement, and I don't mean to interrapt, but do you support the bill you are testifying about?

Mr. Rogers. I think this bill is a good step in the right direction. I would, of course, love to see the permanent bill to which Mr. Tiernan referred earlier, the one that has never been presented, on permanently insulated funding. But this is far superior than year-to-year funding.

Mr. Macdonald. I don't mean to trespass on Mr. Collins' time with you but, No. 1, you support the bill: is that right?

Mr. Rogers. Yes.

Mr. Macdonald. And you think it is a step in the right direction, I think you said?

Mr. Rogers. Right.

Mr. Macdonald. Have you had, as a manager of a local station, any problems with the Corporation?

Mr. Rogers. I am not a manager. I am a nonpaid chairman of the board. As far as problems, I have had no problems with the Corporation. This does not mean——

Mr. Macdonald. Has your station, which is more important?

Mr. Rogers. We have had no problems. That doesn't always mean we agree with them, but they don't always agree with us either.

Mr. Macdonald. But the point is, as I understand, if they send you something you don't want to put on the air, you don't do it?

Mr. Rogers. We have absolute control of what goes on the air in our station. Nobody can tell us what to put on the air. We decide that locally.

Mr. Macdonald. Would you prefer to have money directly funneled to you from the Federal Government, or bypassing the Corporation?

Mr. Rogers. If the Federal Government has established CPB and the President of the United States with nonpartisan discretion——

Mr. Macdonald. That has all happened.

Mr. Rogers. I see no reason why they shouldn't be entrusted to do the job. Why have another agency do it?

Mr. Macdonald. I happen to agree with you.

Mr. Rogers. This is an administrative matter for CPB. If CPB isn't run right, then you can do something about changing the management. But CPB is the proper agency. The money should go to CPB and they should do their job and do it right.

Mr. MACDONALD. By you, I mean the board and obviously the station in Dallas. You have had no problems in the past with the Corporation?

Mr. ROGERS. We have had no problems.

Mr. MACDONALD. And you are not asking for direct funneling of funds from this big Federal Government down to the local stations?

Mr. ROGERS. I think that would be very bad administratively as well as—well, it is just bad organization.

Mr. MACDONALD. Without objection, the remainder of your statement will be inserted in the record at this point.

(Mr. Rogers' prepared statement follows:)

STATEMENT OF RALPH B. ROGERS, CHAIRMAN OF THE BOARD, STATION KERA-TV, DALLAS, TEX.

Thank you, Mr. Chairman and Members of the Subcommittee, for giving me an opportunity to remind you of the importance of developing legislation which should provide sound long range funding for public broadcasting.

My credentials are—businessman; my avocation—education, with emphasis on public television. I am president of Channel 13 in Dallas, a trustee of the Children's Television Workshop, and a member of the Board of NPACT.

In speaking to you today, I have been chosen by the chairmen of public television stations—which reach over 50% of the public television households in the United States—to represent the viewers and them.

So, for the first time, you see a representative of a large segment of your constituency—the viewers and listeners of public broadcasting.

The viewers are 50,000,000 in number—and growing. Already over 500,000 of them are making voluntary contributions to their local stations.

It seems to me particularly important that you hear the viewpoint of 50,000,000 voters who endorse public broadcasting by tuning in to our stations. Similarly, it seems only fair that you hear the viewpoint of over 500,000 voters who do more than tune us in. These are the members of our community who vote with their checkbooks.

There are tens of thousands more who cannot contribute, but who vote by volunteering their services. You will find them with groups of children watching SESAME STREET and THE ELECTRIC COMPANY . . . helping the staff keep us on the air . . . manning the phones for feedback and pledges . . . licking envelopes whose contents beg for financial help.

For—to this point in our history—the local public broadcasting stations are beggars—fighting to stay alive and on the air.

Let's put the congressional support in perspective: Last year's grant from the Corporation for Public Broadcasting to Channel 13 in Dallas was enough to keep us on the air for two days. My wife and I gave the station twice as much as did the Congress through the Corporation for Public Broadcasting.

This is not a criticism of the Corporation for Public Broadcasting. Overall, they did a fine job with the funds available. But 15¢ to 20¢ per day per capita is not very realistic.

We hear "all public television has got to show as a glorious success is Sesame Street." That is not true, or 50,000,000 people wouldn't be voting for us on the dial.

But, you can learn from Sesame Street. . . . you can learn what your role should be in supporting public broadcasting.

What makes Sesame Street a success is—

First, *the need* to prepare preschool children.

Second, *the talent* to write and produce the programs which make learning a toy—and turn on the audience.

Third, *the money* to do it right—$8,000,000 per year. No cost really when spread over 12,000,000 viewers—and 130 hours per year. It is less than 75¢ per year per child—less than a few mills per program per child.

But, this $8,000,000 is equivalent to almost 25% of the amount Congress appropriated for the Corporation for Public Broadcasting's entire budget last year.

The Electric Company, which is teaching children to read, is a new addition to the Children's Television Workshop's impressive performance. Here is another fine example of filling *the need* by providing *the talent* and *adequate funding*. Cost—approximately $8,000,000 per year.

The production costs of these two series of programs are almost 50% of the total amount which Congress supplied the Corporation for Public Broadcasting last year.

We haven't had time to talk of local programming. This may well be the greatest need and service which public broadcasting can and should provide. We simply do not have the money, although most of our community stations do miraculous jobs in this field on the meager funds they are able to beg.

For example, in the Dallas station, we put on a weekly series entitled TOWN HALL, where vital matters of importance to the region are discussed by laymen and experts alike, from every part of the community.

One last word on the constituency I have the privilege to represent to you today. This is not a homogeneous audience.

Some of our audience are interested in instructional television which we provide five days a week from 8:00 a.m. to 6:00 p.m. Here is better education for youngsters at a fraction of the usual cost.

The interest of others may be in cultural television—book reviews, music, symphonies, opera, ballet, soul music, all kinds!

Ours is the only real quality theatre constantly on television. Isn't it too bad we have to buy so much of it from the BBC because this glorious country of ours doesn't supply the money to employ our own talent!

Others in the audience demand public affairs—at the local level—as well as a glimpse of what is going on elsewhere in this country and in the rest of the world.

Then, there is French cooking, gardening, and lots, lots more.

No, public television doesn't have a homogeneous audience. They are all ages, all sizes, all colors, rich and poor, urban, suburban and rural. But, they are united on one issue. *They want public television. They want you to help support it with their money.*

Thank you.

Mr. TIERNAN. The money you said you received from the CPB amounted to 2 days of operating expense for your station. Does that include any of the services that the Corporation provides in the sense of developing these programs that are national in scope? You are just talking about the direct assistance to the local station?

Mr. ROGERS. I am just talking about staying on the air or doing local productions.

Mr. TIERNAN. Mr. Rogers, how long have you been the president of the station or chairman of the board?

Mr. ROGERS. Approximately 3 years.

Mr. TIERNAN. How long has it been on the air?

Mr. ROGERS. It was on the air 8 years previous to that time.

Mr. TIERNAN. And during the 3 years that you have been chairman of the board, what kind of funding have you received, do you know?

Mr. ROGERS. I am not sure—you are talking about from CPB?

Mr. TIERNAN. Yes, from CPB.

Mr. ROGERS. I am not sure last year whether we received $40-odd thousand from them or $47,000 because of the fiscal years, because the funding ran from about $5,000 or something like that and then possibly $12 or $20-odd.

Mr. TIERNAN. You heard Mr. Macy describe to the committee the system that is used when they decide how much money they are going to have, and then on the basis of what they have they go to the local boards or to the managers and find out what they need and then make some kind of an allocation of that amount.

In your opinion, as chairman of the board, would your station in the ultimate allocation of funds desire 50 percent, 90 percent, 100 percent of what you would need for the continuing operation of that station to meet the objectives that you have set forth?

Mr. Rogers. Frankly, I don't think Mr. Macy, if I understood him, I don't think he meant to say that. What he says to us is:

> This is how much money we have for local stations. According to the formula we have worked out, you could apply for the maximum amount which might be, we will say this year, $40,000. Now let us have your application and see if you justify that.

But he doesn't say to us how much we need because they would say to him they need a half million or a quarter of a million dollars.

Mr. Tiernan. When you submit the request for the $40,000, as you cite, do you receive all that you requested from them?

Mr. Rogers. Yes. Let me put it this way: We knew how much was the most that we could get in an allocation, and we never failed to get that.

Mr. Tiernan. In view of all of your testimony, you still maintain that this would be the proper agency and not to change it because it is really just beginning and it is a new agency?

Mr. Rogers. You have to put this into context. CPP should probably have $250 to $350 million a year. That is the time when you can start to talk about whether the local stations ought to get 50 or 60 or 30 percent. But right now, with the amount of money they have, after they pay for their interconnection and the things that are vital, they don't have much money for the local stations. Percentages are very deceiving.

Mr. Tiernan. You, as the chairman of the board, have established policies which meet the requirements in the law with regard to balanced presentation and the fairness doctrine?

Mr. Rogers. We think we do, but we don't understand the law as Mr. Springer understands it. In other words, I don't believe it is humanly possible to have fairness, balance, and objectivity in every single, solitary program you put on the air. There is no such perfect human being. But over the period of a number of programs, over the period of a week, or over the period of a month, there is no reason why you should not present a complete picture to the viewer on the sensitive subjects, which is fair and balanced and objective.

Mr. Tiernan. So in case there was a situation where a program was presented on your station which, in the opinion of you as the chairman of the board, or a group of managers felt that that went one way, either a conservative viewpoint or liberal viewpoint or whatever viewpoint you might decide, then it would be the policy of your board to try to make some time available for the opposite view or try to balance it off in the period of time, is that correct?

Mr. Rogers. Over a period of time we would certainly want to be considered fair and objective.

Mr. Tiernan. Do you agree with the chairman of the CPB that they should review as to whether or not there is a balanced program or not, or do you think it should be left for the local stations to decide whether or not they are going to show that to the viewers?

In other words, it may be that you would never get a chance. If you had a very liberal board, for example, they might not approve a conservative viewpoint. If you had a conservative board, they might not approve a liberal viewpoint.

The point is that you might never get a program from this national service that would provide you with a conservative viewpoint. Don't you think it should be up to——

Mr. Rogers. Frankly, I am not in the same position as Mr. Macy and Mr. Pace. I am not vulnerable to any pressures or influences except from the people who view the station, and it is impossible to find any Solomon who can tell you that every single, solitary program is balanced, fair and objective. There is no such person in the world.

There is no question that we must be fair. There is no question that we must be balanced and objective. But to put it within the context of a single program is utter rubbish.

Mr. Macdonald. Would the gentleman yield?

Do you feel any influence from the Federal Government now?

Mr. Rogers. Absolutely none.

Mr. Macdonald. The contribution from the Corporation is what, $40,000 a year?

Mr. Rogers. I think our share last year was around $40,000.

Mr. Macdonald. How much is expended by your organization?

Mr. Rogers. We expend about $1,400,000 a year to stay in operation.

Mr. Macdonald. So really the $10,000, while important, is not at all controlling, is that right?

Mr. Rogers. No way.

Mr. Macdonald. Would you feel that there would be a possibility, if it was expended directly to you, that there might be the hand of the Federal Government coming a little closer to your station instead of going through, as you have described, the proper authority?

Don't you think it would be a little important that the Federal Government takes off the velvet glove and they have got one or two fingers showing, depending on how you look at it?

Mr. Rogers. I think it is unsound business to do it that way, and I don't think my personal opinion of whether I think they would encroach on us is important.

Mr. Macdonald. We appreciate your testimony.

Are there any further questions before we go to Mr. Rooney?

Thank you, Mr. Rogers.

Mr. Rogers. Thank you.

Mr. Van Deerlin (presiding). The next scheduled witness is Mr. Sheldon P. Siegel, who will be introduced by our colleague Mr. Rooney.

Mr. Rooney. Thank you, Mr. Chairman.

I want to once again welcome my constituent, Mr. Siegel, to this distinguished committee. I might say, Mr. Siegel, we have always appreciated the contributions you have made to this committee.

It is too bad our friend from Illinois is not here to listen to the comment about the fairness doctrine, because I know of no television station, no educational television station that is more fair to public broadcasting than WLVT-TV in the Lehigh Valley. They have done an excellent job and, Mr. Siegel, it is under your great leadership that this station has progressed to the point it is today.

I, as your Member of Congress, am very grateful for the contributions you have made to our community.

STATEMENT OF SHELDON P. SIEGEL, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, STATION WLVT-TV, ALLENTOWN, PA.; ACCOMPANIED BY DAVID IVES, PRESIDENT, STATION KGBH-TV, BOSTON, MASS.; AND DALE K. OUZTS, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, STATION KPTS-TV, WICHITA, KANS.

Mr. SIEGEL. Thank you.

I think it was Adlai Stevenson who said flattery is a wonderful thing, provided you don't inhale.

I am Sheldon Siegel, executive vice president and general manager of WLVT-TV, a public television station that serves the Allentown, Bethlehem, and Easton area of Pennsylvania, and a nine-county area in southeastern Pennsylvania.

It is an honor to have been asked again to testify before this distinguished committee; my previous appearance having been in April 1970, when the continued financing of the Corporation for Public Broadcasting was under discussion.

Much has changed in public broadcasting in these past 20 months—for the good; but much, unfortunately, has remained the same. The Corporation for Public Broadcasting has been initially funded; the Public Broadcasting Service has found its sealegs and a measure of public acceptance; but the problems, predominantly economic, of the local educational/public television station have not been ameliorated in these past 20 months.

To the contrary, tightening economic pressures on participating school districts everywhere have resulted in a curtailment and, indeed, in some areas a complete halt in support of instructional television programing activity on local stations. Businesses and industry have tightened their own belts, and what meager funds were flowing into public television stations through underwriting and direct contribution, have seriously diminished. State governmental support of educational television has also been eroded through constantly increasing demands on its treasury.

Yet, with all this, the local noncommercial public television station, born without any visible means of support, has been called upon to serve its local constituency and, despite the adverse economics, practically every ETV station has responded with new and imaginative programs for its local community.

One often reads in the daily press of the need for economic stabilization. I think that is exactly what is needed now, if local public television is to exist and, hopefully, thrive. It is to this end that I would like to direct my remarks.

If I may paraphrase from the Bible. In the beginning, there were the stations. The question is, will they be there in the end.

The stations preceded the Corporation for Public Broadcasting, the Public Broadcasting Service, and numerous other entities which serve in our behalf. Yet, there are times when it appears that we shall be survived by those that come after—which may be the law of nature, but ought not to be the guiding principle of the destiny of public broadcasting.

For in my opinion, and I believe that of the great majority of my colleagues, the destiny of public broadcasting, its ultimate acceptance in the grassroots of America, lies with a strong local public television station, responsive to its local constituency—programing for that constituency—in the interest of that constituency.

But you can't have all this, unless you pay your light bill first. Mandrake the magician would be hard pressed to produce a significant program without first producing the funds to pay for the production staff, the graphics, the cameras, and the heat. The station must first have the sound economic base upon which to build this structure of community service.

Many station managers spend most of their time in a relentless search for "survival funds." Instead of expending energy in the creation and development of new and imaginative programing efforts—which takes dollars—many ETV managers, particularly in the smaller and medium-size markets, spend most of their day in designing new and imaginative ways to seek funds to pay the telephone bill.

I do not say that the future of public broadcasting, with its emphasis on support of the local station, need be built at the expense of the Corporation for Public Broadcasting or a strong national program service. I do say, however, that the economic well-being of the local station must become a prior concern from which all else must flow. For the local public television station provides an avenue of communication for the local community. A good local public television station registers the pulse of its community.

I am sure that the distinguished members of this committee are aware that the amount proposed in several bills relating to financing public broadcasting may not be equal to the task ahead. I do not think any useful purpose would be served by dwelling on the adequacy or not of the dollar amounts discussed.

What is important, in my view, is the direction and thrust of the expenditure. What is important is that the focus should be put where it truly belongs—on the local station to do the local job that must be done.

There is little sense in providing for a first-class interconnection of poorhouses which simply exist to funnel a national program service.

As I recently noted in a letter to the Honorable Fred Rooney, a member of this committee, whatever funding develops, from whatever source, it is imperative that the major designation and thrust for any funding bill keep the local stations as the major priority.

The heart of public broadcasting today, as it has always been in the past, lies with the local station. The funding and direction of public broadcasting must be primarily oriented towards the support of the local station.

This need not necessarily be at the expense of a national program service if sufficient funds are available; but when there must be a choice, the needs of the local communities, through their stations, should be served first.

These funds enable us to produce local programs, for example, such as our station undertakes in the Lehigh Valley of Pennsylvania, to fill a community need.

Two weeks of continuous live local programing every night, featuring all local candidates for political office, including school board, city council, State senate and assembly, district attorney, judgeships, and U.S. Congress. Live, local election returns; public hearings, featuring the Governor; State house committees; ecology versus the environment, and fluoridation.

Monthly live city council and school board reports with telephone questions direct to city and school officials; regular weekly exchange of views by college students and community leaders of seven local universities on our "College Speak In," which recently featured the Honorable Wilbur Mills in a special hour telecast. Programing such as this can only be done at the grassroots level—and supported by funding that puts the money where the programs are—locally.

As to a formula of local station percentage in any funding bill, I would suggest an increasing sliding local percentage with concomitant decreasing percent for the national service as the total dollars increase.

At the present time, 12 percent of the funds are going to meet local station support. For example, in a total $45 million new funding bill, 30 percent could be the initial local factor which would yield about $15-million local funds and $30 million nationally. This is a modest step in the right direction.

If the local percent were to increase, for example, 5 percent for every $5 million, a total appropriation of $65 million would have a 50-percent local factor, or about $30 million; with the remaining 50 percent or $35 million still available for national programs.

You will note such an approach would still guarantee a strong national commitment at a consistent dollar level, yet recognize the need to increase the local station dollars as more Federal funds became available to cover increasing demands on the local public television facility.

A local-national ratio could also be worked out for appropriations as needed beyond the figures noted here, but I hope I have illustrated a concept on how a sliding formula might work with the need for increasing local support at the matrix.

Our greatest single need at this point is for unrestricted general station support that may be utilized by the local stations. Candidly, in my opinion, the source of this support becomes secondary. The real issue is the need; not necessarily the mechanism by which this is generated.

I am certain that this committee is benumbed by those testifying on a variety of bills, who preface their remarks by saying that the appropriation they seek is really inadequate for the task at hand, or if an amount has been proposed, that it is insufficient.

I have tried to spare you this kind of financial analysis—believing that the real point at issue is the direction this funding should take, for if the principle upon which the funding is based is sound, if the emphasis is "right on" as they say in the present-day vernacular, then the dollars to do the job right will ultimately flow in the needed amounts, for the public will have been served. They will support and encourage our efforts as responsible Congressmen, and public broadcasting will realize its promise of being a dynamic and motivating force for the benefit of all our citizens.

Thank you.

Mr. VAN DEERLIN. Thank you for that excellent statement, Mr. Siegel.

Mr. Rooney.

Mr. ROONEY. There has been much said today, Mr. Siegel, about pressures from Washington. How much money do you receive from the Corporation for Public Broadcasting, your station?

Mr. SIEGEL. At the present time the Corporation for Public Broadcasting provides us with $33,000 under the present grant program, which accounts for approximately 6 percent of our budget.

Mr. ROONEY. Have you ever felt any pressures from Washington with respect to programing?

Mr. SIEGEL. None whatsoever.

Mr. ROONEY. You said on page 5 of your statement:

> Our greatest single need at this point is for unrestricted general station support.

What do you mean by that? Are these funds restricted when you receive them, the $33,000?

Mr. SIEGEL. No, they are not, except under some programs where, for example, we receive funding from school districts and so on where it must be put into certain specific areas, such as, for example, instructional television directly in service to the schools. The money we receive from the Corporation for Public Broadcasting beyond the general guidelines that the Corporation sets down, to all intents and purposes can be spent at the discretion of the station where they see fit.

Mr. ROONEY. I have no further questions.

Mr. VAN DEERLIN. Mr. Siegel, had it been intended by the three of you—Mr. Ives, Mr. Ouzts and yourself—that you would appear jointly and take questions in a group, or were you expecting to appear alone?

Mr. SIEGEL. I would be glad to be joined by my colleagues here. I had been asked separately, but I would be happy to have them join me if you wish.

Mr. VAN DEERLIN. If that was the way you intended, perhaps we should bring them up and form a panel for questions. I believe Congressman Shriver is going to present Mr. Ouzts, and if Mr. Ives is here, that is fine.

Mr. David Ives is president of WGBH-TV of Boston, the community of our subcommittee chairman, and Mr. Ouzts, being from Wichita, will be introduced by our colleague from that part of Kansas, Congressman Shriver.

STATEMENT OF HON. GARNER E. SHRIVER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. SHRIVER. Thank you, Mr. Chairman and members of the committee.

It is a pleasure for me to introduce the executive vice president and general manager of the Sunflower Educational Television Corp., KPTS, channel 8, in Wichita, Kans., Mr. Dale Ouzts.

Mr. Ouzts has an extensive background in public and educational broadcasting. Since receiving his bachelor of arts degree from the University of Georgia and later his master's degree, he has utilized his education in both the commercial and public broadcasting field.

From 1964 through 1966, Mr. Ouzts served as the director of instructional television at the Henry W. Grady School of Journalism at the University of Georgia.

He then moved to Knoxville, Tenn., where he was station manager of WSJK–TV.

In August of 1969 he came to my home town of Wichita, Kans., to become general manager of KPTS, our fine educational television station there.

In 1970 he took the additional responsibility of executive vice president of this station. He is well qualified and knowledgeable in the field under study by your committee, Mr. Chairman, and I am pleased to introduce him at this time to the members of the committee.

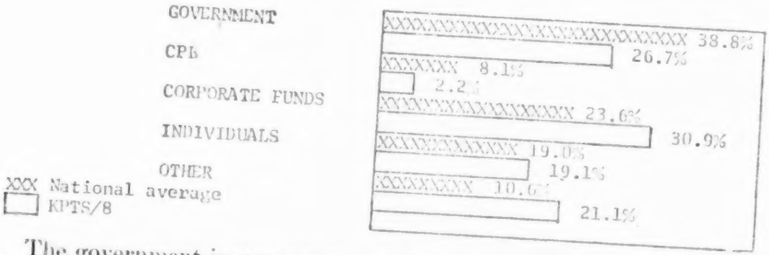
STATEMENT OF DALE K. OUZTS, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, STATION KPTS, WICHITA, KANS.

Mr. Ouzts. I don't think I have to tell you that I represent the area of Kansas or the area of the country that would be classified as Republican and conservative. So you might mention that I am in the same category as Mr. Rogers, although he is from Dallas.

KPTS, channel 8, serves south central Kansas from Hutchinson, Wichita. Therefore, I represent a conservative, Republican area of the United States. Conservative in philosophy, taxation, and funding—yet as a mass, a very demanding audience. Demands are never a problem if they are met, but many demands cause problems. The major problems at the local station are almost unanimously tied to the lack of funds.

The basic philosophy for the growth of the station that I represent is that of our broad base of financial support. The graph below indicates where the funds for the operation of KPTS/8 came from for the year 1970.

(The graph referred to follows:)



The government income represents income from local unified school districts, city government, and Federal sources. As you can see, KPTS/8 is below the average in securing governmental funds. CPB funds for 1970 amounted to 2.2 percent of our total funds. Corporate funds from local sources were higher than the average for other community stations as was individual income and other means of support such as fund-raising projects.

The broad base of support would allow for the discontinuation of any one means of support without total financial collapse. We are hopeful that we can maintain a balance of income such as the 29.9-percent government income compared to 70.1-percent local income. Even the 29.9-percent government income includes local school system participation in instructional television offerings and local government funds.

The majority of my board of trustees feel that there is a clearly defined need for long-range financing for public television. There is not unanimous agreement as to the details of such a plan, but there is agreement on the fact that the need is realistic. Local plans are difficult to project for long periods of time as are national plans. The members of my board with whom I have personally discussed the Macdonald bill—H.R. 11807—agree that it is basically a sound projection toward the goal of fulfilling future needs. Some of the specific details could be slightly changed.

The original figure I received was the figure of 30 percent, and in the bill itself I see the figure is at least 30 percent, so part of my remarks have already been taken care of. We feel that a minimum of 30 percent might be a better figure, or stated more properly, than just a flat 30 percent. This would allow some flexibility for increased percentages of funds to be channeled to stations.

If the demands of the stations are at a given level of national program materials at the $100 million level, the 30 percent may be acceptable and fully agreeable. If the demands remain constant and the appropriations are increased to the $160 million level, the percentage to stations might increase to 50 percent. Thirty percent of $100 million to stations leaves $70 million for CPB/PBS operations, and if the level is $160 million, 50 percent to stations would still leave $80 million for CPB/PBS. This increased percentage and amount received by local stations would greatly improve the total PTV system through a stronger national schedule coupled with a stronger local schedule.

Here I think it might be appropriate for me to remove myself from my prepared remarks for a moment to possibly clarify some of the questions which seem to be recurring through the morning. That is, that we at the local station level know before we ever submit grant proposals to the Corporation the amount for which that grant can be awarded, the total. So for the question to be asked to the station manager: "Do they meet all of the needs that you have for funds locally?" No, the question is never in that area.

In other words, we know what funds are available. We go after that amount, and we are always successful, to my understanding, in achieving that amount. This year channel 8 received $33,075. We knew, as of our budget last year when we filed a financial report with the Corporation, we would be eligible for $33,075. We asked the Corporation to grant us that amount to do x things locally. All of our funds are placed in local programing. We received that amount within 2 weeks.

So there has not been any difficulty at my station in securing the grant. When we know the amount, we apply for it and we receive it with a great deal of cooperation.

The programing picture at the local level follows closely the broad base of funding philosophy. Programing materials offered by a local station need to include a strong national schedule, regional materials, library materials, and an effective local schedule. If all segments of programing are properly financed, there would be a strong schedule for the total system.

Very few, if any, local stations could afford to offer such excellent and popular programs as Masterpiece Theatre, Firing Line, Black Journal, Sesame Street, and Misterogers' Neighborhood, without PBS. We could and would make the attempt, but we would fall far short of what we have come to expect and presently demand. We need a national vehicle for planning, funding, and distributing programs of a national nature. We presently have such a vehicle in PBS and CPB. These organizations are the only method through which we receive effective national programs on a timely basis. When there are still PTV stations in the top 50 markets that cannot broadcast color, we cannot expect their operations to produce programs to match the quality of Hollywood Television Theatre. Yet the audience demands such quality.

Like it or not, there are thousands of viewers who compare public stations to commercial stations for viewing choices. They rarely stop to think that our operating budget may be only 10 to 50 percent as large. They might not know that our staff is only one-fifth as large as our commercial brethren's operation. They do not know and might not understand that we operate at less tower height, with less power, and with equipment that isn't always under voting age.

They merely turn to the different channels available and stop at the channel that offers good reception and programs of interest to the person doing the selecting. The viewers that do select public television channels do so when these criteria are met. If the programs are of the quality that we constantly seek, the viewer will respond positively to requests for individual support. National programs greatly help the local station through their attraction and involvement of new viewers. These viewers become supporters.

Our need locally calls for a strong, flexible schedule of programs from national sources. Many of our viewers now enjoy local programs that they would never have seen had it not been scheduled adjacent to Firing Line or Soul. There is a measurable increase in viewing of local programs when scheduled before or after a strong national offering.

To break down a little bit further our own schedule of programs in Wichita, Kans., I have prepared a chart showing the different kinds of programs in the categories and also the sources of these programs for your information.

(The chart referred to follows:)

PROGRAMING ANALYSIS—KPTS CHANNEL 8—WEEKLY

	Hours	Percent
Family and children	23.5	36
Cultural	4.0	5
Instructional	15.0	19
Adult instructional	4.5	5
Public affairs	18.5	24
Music dance	3.0	4
Drama	5.5	7
Total	79.0	100
Local	13.5	17
Network	23.5	30
Library	21.0	27
Regional	7.5	9
Network repeat	13.5	17

Local programs range from full, live coverage of the city commission meetings to a live public affairs strip. We try to explore all the free talent in the area in order to give exposure to the best of it. Some material offered locally might range from a live four and a half hour program in which the viewers have a chance to phone in questions to all the candidates for local school board and city commission vacancies, to a documentary on the local drug traffic. Local drama and music activities are also programed. Some of the programs are good and others are bad.

The community in general expects us to operate a schedule comparable to that of commercial television, and they are willing to help locally. Those people who are dedicated to public television in my community openly express the need for a long-range/broad base of support that would include support from individuals, corporations, foundations, school systems, and governments. They not only see support from these sources as a hopeful goal, but as a realistic responsibility. Daily the audience hopes for news that a new series is being planned to fill one of their needs. These plans and the fulfillment of these needs can only be realized with long-range support.

The FCC requires that we ascertain the needs of our communities, but they cannot require that we meet these identifiable needs. Only with a minimum of security can we hope to successfully attack many of our local problems. We can help to solve local problems, but we cannot do it on credit, nor can we do it overnight. We need months and sometimes years to properly research, plan, and produce a great local series. With present funds and imposed schedules, we can only hope for an effective inoculation to prevent problems. We cannot offer a cure at this time.

We have the capacity to fill the needs in terms of knowledge, but we lack the necessary ingredients of manpower, equipment, and supplies. PTV signals still do not cover the entire State of Kansas, much less the Nation. Only a definite tomorrow will allow for meeting tomorrow's needs as identified and projected. It is time we stopped doing for today and looked ahead to next month, next year, and 3 years from now with some security.

As a professional broadcaster with an annual problem of securing funds from multiple sources, I might wonder why all public offices are not elected on an annual basis. We know the answer to that. We hope we can find the answer to why we have to seek funds annually.

Mr. **Macdonald**. We thank you for coming here.

Congressman Shriver indicated your appearance and was able to be here to introduce you.

You are appearing as a panel. I would like to mention, because apparently Kansas is Middle America, I am hearing about it all the time. Mr. Ives is from Northeast America, who is going to testify next. Do you have any problems with the present situation?

Mr. **Ouzts**. Do you mean the present situation in Kansas?

Mr. **Macdonald**. Well, in your position I would guess in Washington as well.

Mr. **Ouzts**. I am not quite sure I understand the question, Mr. Chairman.

Mr. **Macdonald**. The question is how things are operating between the Federal Corporation and the State operation in Kansas.

Mr. **Ouzts**. We have had no difficulty whatsoever.

Mr. Macdonald. Are there any complaints? You will never have a better opportunity to be heard.

Mr. Ouzts. No, sir. If I had a problem, the Corporation would have known about it immediately. I am not the quiet type. I think they will all vouch for that. I call them quite often.

Mr. Macdonald. This is not personal. I believe you are not the quiet type. But as you run a typical station in Kansas, have you had any difficulty with the Corporation?

Mr. Ouzts. No, sir, not with the Corporation.

Mr. Macdonald. What have been your difficulties?

Mr. Ouzts. Maybe something that should be brought out a little stronger here than has been today is the fact that even though the law has it in certain language which the Corporation does attempt to interpret for program producers and for the programs on the network, we do not delegate the authority as to what programs are broadcast on channel 8 to anyone.

Mr. Macdonald. You do it yourself, do you?

Mr. Ouzts. That is correct. We have to do that under FCC rules. We cannot, in other words, delegate to the Corporation or PBS what goes on our program time.

Mr. Macdonald. Are you glad that is a fact?

Mr. Ouzts. Yes, sir.

Mr. Macdonald. So it is local control over local programing and you are perfectly happy.

Mr. Ouzts. We are in control over all the programing.

Mr. Macdonald. Are you happy with the present setup?

Mr. Ouzts. No, sir. Happiness probably comes in amounts, and until amounts are larger and until public broadcasting has a tomorrow and is guaranteed and is definite, I will not be happy.

Mr. Macdonald. I understand what you mean. You are happy from year to year, but you wish you would have the sufficient funding so you could look into the future with some degree of security.

Mr. Ouzts. Yes, sir.

Mr. Macdonald. I think that is a reasonable observation. We welcome your testimony.

Are there any questions of the witness?

Mr. Ives, by request of Mr. Brown, will be heard before further questions.

I welcome you, Mr. Ives. I will show the members of the subcommittee how political public broadcasting is. I have never met Mr. Ives and he represents channel 2 in my district. But it is nice to see you, Mr. Ives.

STATEMENT OF DAVID IVES, PRESIDENT, STATION WGBH-TV, BOSTON, MASS.

Mr. Ives. I just want to begin by saying that we do support the idea of the Macdonald bill at WGBH. For the record, I am David Ives, president of WGBH in Boston. At least it contemplates the rapid rise of support for public television at levels that will begin to do the job. Frankly, we don't have those levels now. It is an enormous job that is being asked of public broadcasting and it is not being given the funds with which to do it.

With your permission, Mr. Chairman, I would like to summarize a letter from Ralph Lowell who is chairman of our board, and one of the pioneers in public broadcasting.

As you probably know, Mr. Lowell has been chairman of our broadcasting council since 1946. That is 25 years. He has been president and is now chairman of our organization. He was chairman and later chairman emeritus of the National Educational Television and Radio Center. He was the fellow who proposed the creation of a National Commission on Financing Educational Television. He took a leading role in the activities that led to the Carnegie Commission Study, the Public Broadcasting Commission Act of 1967, and the Corporation for Public Broadcasting.

Mr. Lowell says:

> It seems to me that those concerned with the future of public broadcasting in our country must keep one thing clearly in mind: The job cannot be done without a lot of money.
>
> The Carnegie Commission said the system needed $100 million annually. In my opinion, that is the minimum that should be considered.
>
> With this sort of funding, both of the prime objectives of public broadcasting would be within reach. The local stations could get significant unrestricted money and the national program service could be properly supported.
>
> Without funding at this level, the weakness and divisions within public broadcasting will only continue. The public interest will suffer.
>
> I urge you and your colleagues to do everything in your power to give public broadcasting the funds it needs to serve all the communities of this Nation.

This was also the subject of a resolution at the meeting of the Eastern Educational Network last week which represents a great many stations up and down the eastern seaboard. They adopted as a resolution the rough formula that Mr. Siegel has been talking about, beginning at $45 million, at which 30 percent of the funds would go to the local station and rising to $65 million, at which 50 percent would go to the local communities. But they also asked, and in a very strong statement, that only an amount in the area of $100 million would really do the job.

It might just be worth looking at what the Carnegie Commission said was needed and what Congress has actually in fact supplied. Carnegie said in the first four years there should be a total of $220 million for public broadcasting. Congress has actually supplied, if my figures are correct, $78 million. Since the Public Broadcasting Act was first established, Congress has actually supplied only about a third of what Carnegie recommended.

Please remember that when Carnegie finished its report and made its finding recommendations, there were only 124 educational television stations on the air. Today there are 219, and that is an increase of 75 percent. And if you add the impact of inflation since 1968, you will realize how serious the failure to fund public television has really been.

I want to make clear I am speaking not only for a station in Boston which has been a production center and produces programs for national distribution, but WGBH also holds the license to WGBY, a brand new station in Springfield, serving western Massachusetts, and that station is struggling just like all other small stations to become established in its region. It has had some success in raising funds. It has matched HEW facilities for equipment.

It is working on local operating costs, but it serves at least a million people. It brings a new local service to that part of the State and Federal funds are absolutely essential in getting that established and giving it aid and spreading the benefits of public television in that region.

That is all I have to say, Mr. Chairman. Thank you.

Mr. MACDONALD. Thank you.

Do you have any connection with channel 7 up in New Hampshire, up in the Durham, N.H., area?

Mr. IVES. Channel 11. Only that it is a public television station in New Hampshire.

Mr. MACDONALD. Do you have any connection with it?

Mr. IVES. No corporate connection at all.

Mr. MACDONALD. Why would you move to the western part of the State and not go north to the rest of New England?

Mr. IVES. As you probably know, there are stations sprinkled throughout New England and a large part of New England is in fact covered by public television stations.

Mr. MACDONALD. I always thought that Springfield had its station coming out of Amherst.

Mr. IVES. No. There has been no television station until this last October in western Massachusetts. Some figures would indicate that is the largest population area in the country until recently that has not been served by its own public station.

For very complicated reasons it hasn't gotten started until now, but WGBH has taken the initiative to get it started and it is on the air and serving the people now.

Mr. MACDONALD. This is the last question I want to ask you: What are the complicated reasons? What is so complicated about putting a station in western Massachusetts?

Mr. IVES. It was hoped for a long time that it would be initiated out there and at one time the University of Massachusetts got a construction permit to go ahead with the station serving western Massachusetts.

Mr. MACDONALD. We are talking about Amherst.

Mr. IVES. That was never able to get off the ground. In order to put up a facility there HEW funds were necessary because they couldn't get the money any other place. The Massachusetts State Legislature was unwilling to provide the matching components for those funds and the university felt it could not do the job itself. So the university agreed to switch the license.

Mr. MACDONALD. Thank you.

Mr. Brown?

Mr. BROWN. Mr. Chairman, I would like to ask all these gentlemen a number of questions, if I may.

In your budgeting for what you think the local ETV stations would need around the country, have you looked at table 2 of Mr. Macy's attachment A to his statement?

I think I understand it correctly, but I may not. I am glad Mr. Macy is still in the room.

Under item 4 of that statement it provides for community service grants budgeted into the future. Are those the grants to local stations? That calls for $20 million in 1972, $40 million in 1974, and $50 million for each of the remaining years. Is that amount adequate?

Mr. SIEGEL. I think the real question, Mr. Brown, is what percent that represents of the total appropriation.

Mr. Brown. Would you answer my question first, and then we will answer your question. Is the amount adequate?

Mr. Siegel. Adequate to do what?

Mr. Brown. For the purpose that community service grants serve to the local stations.

Mr. Siegel. In our case, if the $20 million appropriation would mean that our station would be receiving a grant of $40,000 or $45,000 as opposed to the $30,000 we are getting now, then I would say that is not appropriate to do the task that we want to do.

Mr. Brown. It, in effect, would double from 1973 to 1977. So the question still is: Is that an adequate amount to serve the needs of local stations and their operating costs, which I gather is what the community service grants are used for. Is that correct? May I have a comment from each of you.

Mr. Ouzts. I would like to respond to that, and I am not trying to be evasive. But unless we know what figure that is a portion of, then I can't answer the question, the reason being that we need both strong national programing as well as regional, library and local programing.

So if the appropriation is a amount for the total, then that figure may very well be the proper percentage.

In other words, I don't want to have all of the money going to the local station and see the Corporation collapse because my audience likes some of those programs and I can't produce those programs locally, even if they gave me $200,000.

Mr. Brown. If we could provide funds to the Corporation for Public Broadcasting so they could produce national programing and then also provide funds for the support and operation of local stations, how do you feel about that?

Mr. Ouzts. I would hate to see it separated, because we can't separate it at the program level. In other words, the man at home who watches doesn't give a hoot whether it is national or local programing unless it is good.

Mr. Brown. You don't see that it makes any difference whether it is a national or local program? I misunderstood you.

Mr. Ouzts. What I am saying is that we need both or not either one.

Mr. Brown. What I suggested is the possibility that we could fund the Corporation for Public Broadcasting to do national program work and support local community stations directly through a grant for operation to those community stations. Do you have a reaction to that?

Mr. Ouzts. Yes, I do. I would like to see money go to the stations. Whether or not it is separated or channeled directly through some other thing doesn't really matter to me as long as it gets to the local station.

Mr. Brown. So you think if it came from the Corporation for Public Broadcasting it would be the same as if it went directly to the local station?

Mr. Ouzts. I don't think there is any rakeoff; no, sir.

Mr. Brown. Well, that is really not what I had in mind. What I had in mind was the matter of control of the funds and whether or not 15 men who are appointed by the President of the United States distributing money is the same as an automatic grant of funds directly from the Government or from a dedicated source.

Mr. Ouzts. Well, the difficulty with that is that if it is written into a bill and, say the whole context of the system would change and if there is change quite often then does each local station have to come back and say we are doing something differently.

Mr. Brown. No. If you got something as a matter of automatic right, how would you feel about that?

Mr. Ouzts. If I had a blank check I would take a quarter of a million.

Mr. Brown. It is not a blank check coming from the Government in excess of the budget I have mentioned here rising from $20 million to $40 million.

Mr. Siegel. I think we have a question of insulation on our own that has been a problem. That is, in the same way that the Corporation seeks to get insulated funds, to a similar extent the Corporation is our insulation. I am not exactly sure that if we were to get funds directly from the Federal Government that we would indeed not be under a lot of pressure, political and otherwise, that we are not under.

This is really speculative, but I do think that possibility is open if those funds are appropriated directly.

Mr. Brown. You think if you got the funds appropriated directly into a total fund and got the fund as a matter of right, like the 30 percent in Mr. Macdonald's bill or the percentage indicated in my bill, that that is more dangerous than getting them from an organization whose board is totally appointed by the President of the United States? Is that what I am to understand you to say?

Mr. Siegel. Well, I think the mandate of the original act spells out that the interpretation of these funds really is not necessarily left to that board. I think that board really hasn't tried, at least in the past history, to put strings on the money and to in fact direct us totally how to spend it.

I think in that area the Corporation, through their staff and through Mr. Macy, have done a most commendable job, which is relatively to keep these funds unrestricted so the local stations can spend them where they need them, and every local station would spend them in quite a different way because of the local needs.

Mr. Brown. If I understand what you are saying, you are saying that for 1973 you would rather have $20 million from the Corporation for Public Broadcasting than the $35 million which I provide in the bill which has not been under discussion because I introduced it only today, but was telegraphed yesterday to certain people involved in this hearing.

You would rather have $20 million from the Corporation for Public Broadcasting than $35 million in 1973 directly from the Federal Government, because you fear, as a matter or right, in other words, as a matter of automatic distribution that somehow or other that automatic distribution would corrupt you?

Mr. Siegel. I think we have a case of apples and oranges. I would rather have $35 million from the Corporation for Public Broadcasting. I think the manner of distribution is really almost secondary. I thing certainly we could do a lot more on the local level with $35 million than we could do with $20 million and we could do a lot more with $50 million than we could with $35 million, yes. I think we are talking more of confusing the mechanism of distribution than the amounts we need to do the job.

Mr. BROWN. Let me try another approach. How about the prospect that we might have that Corporation for Public Broadcasting be representational in the field to represent programs locally? I gather by your concurrence that you all feel the same, is that correct? The same as Mr. Siegel?

Mr. OUZTS. If we have to choose between $25 and $30 million, the choice is obvious. Without all of the details surrounding it, we don't know what is in back of it.

Mr. MACDONALD. Would the gentleman yield?

Mr. BROWN. Yes.

Mr. MACDONALD. Do you really mean that your only consideration would be the money and not the control that follows the money?

Mr. OUZTS. I said if we didn't know what was in back of it it is hard to say.

Mr. MACDONALD. But the Federal Government either way?

Mr. OUZTS. Yes and no.

Mr. MACDONALD. There is no "no" about it. The money comes from general revenue under the present plan. So it is Federal money.

Mr. OUZTS. It is not the same thing, Mr. Chairman.

Mr. MACDONALD. It is the same thing and the money comes out of the Treasury. Are you happy with the controls—if there are any controls, for lack of a better word——

Mr. OUZTS. Happy with the lack of them.

Mr. MACDONALD (continuing). In your relationship with the Corporation?

Mr. OUZTS. We are quite pleased.

Mr. MACDONALD. Would you rather get a promise of a little more money and perhaps be subject to more direct governmental controls?

Mr. BROWN. Mr. Chairman, if I may, that is your interpretation.

Mr. OUZTS. I am not displeased at anything that the Corporation has done in total. Individual things sometimes I don't agree with, but I can see the reasons for them. Kansas is peculiar in its constituency. It is not New England. The audience sometimes does and does not agree. Sometimes we don't broadcast programs.

Mr. MACDONALD. I would just like an answer. Perhaps you would rather have $35,000 for each station from a new source, or $25,000 from a source who has never tried to put any influence on you. You just made the statement—and you are an entertaining witness, but in being entertaining sometimes you don't give yourself due credit. I can't believe that a station would not rather have $35,000 with maybe some influence put on them than $25,000 with no influence.

Mr. OUZTS. If that were the case I would choose the $25,000. I do not want money for money's sake.

Mr. MACDONALD. When you reread the record that is not what you said originally. I am glad you said it now.

Mr. BROWN. If I may get my time back to make perfectly clear and to make sure that the legislation I put in provides not for distribution of funds with strings but for distribution of funds as a matter of right to the station directly from the Treasury.

Let me go to the question of representation in the development of CPB programing ideas and other operations.

I assume, in view of your other testimony, that you see no merit in input from local stations on those decisions. Is that correct?

Mr. Ouzts. The CPB operation?

Mr. Brown. Yes; because it is working all right now.

Mr. Ouzts. Yes; they do receive input.

Mr. Brown. Do you think it would be helpful to have people on the board of CPB who were either station managers or representatives of licensees of ETV?

Mr. Ouzts. I think we do now.

Mr. Brown. How many?

Mr. Ouzts. I know Mr. Skully is our manager.

Mr. Brown. Any others?

Mr. Ouzts. Not to my knowledge.

Mr. Brown. Do you think it would be helpful to have others?

Mr. Ouzts. It depends on who they are.

Mr. Brown. Well, let us just leave it sort of open-ended and say that they are representational of the various kinds of stations in public broadcasting, the various sizes of communities and various geographic distribution. Do you think that would be helpful?

Mr. Ouzts. I think the input which that would create would be helpful to the total system.

Mr. Brown. Pardon?

Mr. Ouzts. I think the input that that kind of representation would create would be helpful to the total system. I think we have the input now.

Mr. Ives. May I put in something at this point.

We have tried over the last 4 years to build a system which is really rather different than any other broadcasting system in the world, quite different in fact. It is far more democratic than any other system that has ever been attempted. It has had its problems and growing pains. It is having growing pains right now, but by and large its record has been, in my view, extraordinarily good. So one thing I think I would very much hesitate to do would be to tamper with basic structure of it now while it is just beginning to emerge.

The second thing I think might be said that there is a rather elaborate structure for seeing that the stations themselves are heard within this whole operation. The Public Broadcasting Service, which is created by the Corporation for Public Broadcasting, has managers of the stations and a representative group on its board. There is also a thing called the managers' council in the National Association of Educational Broadcasters. If there is any one thing that public broadcasters do it is meet. And they talk with each other all of the time. The views of this system, believe me, are expressed with great vigor and great frequency in the councils where the decisions are made.

My view of this thing is that the only reason we are stumbling and agonizing so much now is that there is not enough money in the system. I would think that the system would work if it could achieve the kind of fuel that it needs.

Mr. Brown. I assume that you would all like to have more money, and you would like to have it come from some dedicated source so it would not be in any way limited and the Congress would not have any look at it. It would go to the Corporation for Public Broadcasting, which is made up of 15 men appointed by the President of the United States, who could then expend that money as they saw fit to develop this fourth network, is that correct? And there is no improvement that can be made on that system in terms of getting better representation from the station directors. I just want to find out how good witnesses you are.

Mr. SIEGEL. Part of my responsiveness to my way of thinking and that of my colleagues on the eastern network was really answered by the designation of more and increasing funds for local broadcasting purposes. But in a sense providing for stabilization of the national network service and yet opening up for funds by a sliding and increasing percentage, you are going to sort of bring back that responsiveness.

Mr. BROWN. You see, if we get a dedicated system where the money goes into CPB, the way the Corporation is arranged now, they can spend that money in any way they wish.

Mr. MACDONALD. The time of the gentleman has expired.

The gentleman from Rhode Island will inquire.

Mr. TIERNAN. Thank you, Mr. Chairman.

First of all, let me say that the presentations have been outstanding—I am sorry that I missed your presentation, Mr. Siegel, but I have heard from others of the excellent statement you presented to the committee. In your statement, some of which I have been able to read, you point out that the local stations really are the key to getting to the people throughout the country and the fact that the local stations have been able to institute new and innovative programs and undertake some programs that commercial broadcasters could not undertake. Is that correct?

Mr. SIEGEL. Yes, sir.

Mr. TIERNAN. And I know Mr. Ives has undertaken these in our area where Rhode Island is just on the fringe of your signal. But we certainly have appreciated and greatly admired the fact that your station has undertaken some very innovative programs.

I think you have been informed of my statement in the Congressional Record with regard to Catch 44, which I think and hope that many other of the people in the industry will take notice of.

I want to congratulate you all for your testimony here. I think the point you have made about the structure is a well-taken point. I think that we should not at this time try to change that. My point has been—and I insist on it and have insisted on it—that we try to get further insulation.

I thank the insulation you people are speaking about, the insulation of the local stations and the Government, is one that the Corporation for Public Broadcasting provides some of, and I think we should try to develop insulation between the Government and the Corporation for Public Broadcasting.

You have not directed your points to that, but the Macdonald bill provides for trusts. Again, we have not provided for revenues to go to that trust fund other than what would be appropriated annually.

This bill goes further than anything in the past in the sense of appropriating for a 5-year period, but we have no assurance that the full committee will accept the 5-year or that the Appropriations Committee will be guided by what we indicate to be a sufficient fund in the Corporation. So you are still in that dilemma of not having a stable fiscal picture to look forward to in 1973 or 1974.

If the administration were to change, a new administration might have a different viewpoint on what the needs are in public broadcasting.

I want to thank you all for testifying.

Mr. **Macdonald.** In conclusion, gentlemen, I want to ask you a question directly. I guess it has been done indirectly. I take it you were set up to represent the local stations as a panel, middle America and Pennsylvania.

Has there been any reaction in the areas you serve that would indicate that there is any unrest about the role between the local stations and the Corporation?

I will ask you first, Mr. Ives.

Mr. **Ives.** You certainly can't characterize it as unrest because, let's face it, we have a pretty confusing system and it is hard for the ordinary person to understand.

Mr. **Macdonald.** I am not talking about the ordinary person. I am talking about someone who runs a station.

Mr. **Ives.** You are talking about WGBH as such? We have our disagreements with CPB weekly.

Mr. **Macdonald.** What are your disagreements about? That is the point of your testifying here.

Mr. **Ives.** The main disagreement is that we want to do something and they haven't got enough money to let us do it.

Mr. **Macdonald.** That is not a disagreement. That is a hard fact of congressional life.

Mr. **Ives.** They say they have the money and would like to put it somewhere else and we say we want to do something else with it. Basic disagreements on policy I don't think we have. I recognize the problem that CPB has had. It has tried to put things in place one thing at a time. It is a national service which has been important in creating attention to public broadcasting and strength for the local stations. The local stations have gotten into a terrible bind over the last 2 or 3 years as prices have just skyrocketed and they feel the pinch in a perfectly dreadful way.

Mr. **Macdonald.** What you are saying is that you think the Corporation should get more money to give to you?

Mr. **Ives.** That is correct.

Mr. **Macdonald.** Outside of that, it is a fact of life. Costs go up, obviously. Have you felt any control impact from the Corporation?

Mr. **Ives.** As I say, we sometimes—not from the Corporation we have not.

Mr. **Macdonald.** Have you had any feelings of control from any governmental agency?

Mr. **Ives.** No.

Mr. **Macdonald.** The gentleman from Kansas, would you like to comment on the same area?

Mr. **Ouzts.** We haven't felt any control from the Corporation. We have felt control from governmental agencies.

Mr. **Macdonald.** Like who?

Mr. **Ouzts.** City government locally.

Mr. Macdonald. Obviously we don't have anything to do with city government.

Mr. Ouzts. No Federal.

Mr. Siegel. In response to your first question, Mr. Macdonald, as to whether we have a problem with CPB, I think part of the problem is that the Public Broadcasting Corporation has many mandates, one of which is the help and support of local public television.

We, of course, as station managers have a much more provincial and narrow view and feel that that ought to be the prime mandate and the prime priority.

Hence, when there is only a limited amount of funds to work with and the Corporation feels they must, by mandate, concern themselves in a variety of areas, we by the same token feel that the main area they ought to be concerned with ought to be here.

Mr. Macdonald. When you say "here" what do you mean?

Mr. Siegel. In the area of station support, that the funds ought to primarily, by a larger percentage and by a sliding percentage be directed in this way.

Mr. Macdonald. There is no magic formula in any bill but I am sure it is a fair one. Mine goes to 30 percent that goes to local stations. Do you think that is fair, unfair, reasonable or unreasonable, or what would you suggest?

Mr. Siegel. I think it is quite reasonable. I think, as I said in my testimony, at the present time 12 to 15 percent, I believe, is going, so your 30 percent figure would certainly be a step in the right direction, so I think on that particular point we would subscribe.

Mr. Macdonald. The reason I ask these questions is that in the papers and other places you read where there is this sort of lack of communication between the Corporation and the local stations as if you were two separate entities.

As I said earlier, and as has Mr. Springer said, we put the bill together some 4 years ago to have just the opposite happen. If something has occurred on a practical basis in which the local stations are having trouble with the Federal Corporation, then we, the members of the subcommittee, want to know about it. Nobody has raised it except what I have read in speeches. Would you care to comment on that?

Mr. Siegel. I think, in the sense you are talking about it, we have no problem, certainly, with the Corporation for Public Broadcasting. I think the problem arises because there are so many things that they must do that there is not just enough money to do all of these tasks.

Mr. Macdonald. I will make one comment and then I yield to Mr. Brown. That is not their fault. They only get as much money as the Congress gives them. They can't invent the money.

Mr. Siegel. That is why I say we don't have a problem.

Mr. Macdonald. Channel 2 runs an auction. Why do you need all of that support from the Federal Government? Indeed, you are doing the job you claim to do in your local community. Channel 2 in Boston has an auction that raises money. How much did you raise last year, Mr. Ives?

Mr. Ives. $422,000. The point, Congressman, with the local money is that a public television station can raise just so much. It is simply not possible to support the kind of operation we are talking about with only local money.

Mr. Macdonald. Why not? If it is as rosy—I am trying to avoid the word "picture"—but if it is as rosy a communications program as you do indicate and they do have this listening audience and people are glad that this is there, why wouldn't they contribute more?

Mr. Ives. If I were able to scramble our signal so you wouldn't get it unless you paid $15 a year, we wouldn't have serious financial problems because 42 percent of the people wouldn't get it and would want it.

Obviously, that is not a feasible approach because there are many people for whom that is not a reasonable appropriation. It has to serve all of the people.

Mr. Macdonald. I don't want to get further off the subject. I yield to Mr. Brown.

Mr. Brown. From what I understand you to say, you had trouble with your local community because they put up some of the money. If you received all your money from CPB, you wouldn't want that; would you?

Mr Ives. I wouldn't want all of my money from any one source. I want my money from a broad base.

Mr. Brown. It seems to me this is a very fundamental part of what we are talking about here. Everybody who has testified—and you have all been very good witnesses—has testified that there is no problem with getting the money from the Corporation for Public Broadcasting. There would be a problem with getting it automatically from any other source, I gather, from what you have said.

You have testified that you want to have more localism and that localism is fundamental to your operation. But there are certain impingements on localism, including a dollar impingement, and you don't want CPB to have any formal position to be able to tell public broadcasting stations what they ought to be doing.

I am terribly impressed with the kind of job they must be doing in terms of getting out good local programing. I don't see how you could have any objection to any programing you would get on that basis.

It does seem to me that there is a problem with where your money comes from, how you get it, who has the decisionmaking control over that money, and whether you have a participation in how that money is spent at the national level.

Now, apparently you see no problems with that; is that right?

Mr. Siegel. We do have a measure of participation with CPB. My only question would be that if we were to get the money——

Mr. Brown. Voluntarily. There is no formal way you have any participation in CPB.

Mr. Siegel. We do have input to staff to CPB. I was wondering what we would have——

Mr. Macdonald. Sir, would you answer his question? He asked, do you have a problem or not. You can say "Yes" or "No" and then elaborate on it.

Mr. Siegel. Would you rephrase the question of whether or not we have a problem with it?

Mr. BROWN. I take your answer to the question to indicate that you do not.

Mr. SIEGEL. No; we do not.

Mr. BROWN. Thank you very much.

Mr. MACDONALD. Mr. Collins?

Mr. COLLINS. I would like to ask something about this subject of news, because all three of you are in the direct operations. All three of you have never had any interference from any individual about your news operations or with any Government agency in your news operations? Do all three of you run an extensive news operation?

Mr. OUZTS. I don't think it was implied we had any difficulty with public affairs locally.

Mr. COLLINS. But you never had any interference or influence from them?

Mr. OUZTS. Yes, indeed.

Mr. COLLINS. At the Federal level?

Mr. OUZTS. Not at Federal level.

Mr. COLLINS. No one at the Federal level?

Mr. IVES. No direct approach from anybody in Federal.

Mr. MACDONALD. Well, how about indirect?

Mr. IVES. One can not help but feel, with speeches being made, that there are people watching.

Mr. COLLINS. I think that is a fair statement.

Mr. MACDONALD. Well, you hope people are watching or you wouldn't be on the air.

Mr. TIERNAN. Would the gentleman yield? Are you referring to Mr. Whitehead's speech?

Mr. IVES. I am not referring to any one speech.

Mr. TIERNAN. Are you referring to a speech made by someone in public office or a public official?

Mr. IVES. No. There are statements being made from time to time which indicate that the content of public broadcasting is not what some people want it to be, and occasionally this is from a Congressman, too. Congressmen have made these statements.

Mr. MACDONALD. Since you are from my district, name one.

Mr. IVES. He just left the room. Mr. Brown made a statement about——

Mr. MACDONALD. He never heard of channel 2. I watch channel 2. I have never heard anybody complain about the way you treat news except that the gentleman doing it is 80 years old or something. I have never heard anything derogatory about your treatment of the news.

Mr. COLLINS. Our chairman is from Boston. Have you ever mentioned this gentleman on your news?

Mr. IVES. Yes.

Mr. COLLINS. Have you ever said anything derogatory about him?

Mr. IVES. I don't know. I can't remember.

Mr. COLLINS. He said he had never heard anything but good things from the station.

Mr. MACDONALD. I haven't heard anything good or bad. I am never on there.

Mr. COLLINS. Really, what I wanted to know, aren't you in a position as far as politics where you would be hesitant to say anything about a politician? Do you take sides on politics?

Mr. Ives. The station doesn't, but there is a great deal of expression on the air about politics, yes, local, State and National.

Mr. Collins. Are you known as a liberal station?

Mr. Ives. Some people think we are a liberal station. Some of the mail says we are too liberal and some says we are so hidebound we ought not to be on the air at all.

Mr. Collins. On our news at home I have never heard anyone write in and say our station is conservative, but I have heard a report that it was liberal. Have you ever heard anyone say in your town that you are too conservative?

Mr. Ives. Yes, I can supply some mail about that.

Mr. Collins. Do you think you run about even?

Mr. Ives. Labels like that, Congressman, are very difficult to get at. What is liberal to one is conservative to another, and I am not sure that really means a lot.

Mr. Macdonald. If you will yield for a comment.

I have not heard of them being accused of being liberal except the time you put that Harvard riot on. I would not characterize channel 2 as being terribly liberal.

Mr. Collins. Let me ask, is any of your funding through foundations in Boston, since you have an extensive news operation?

Mr. Ives. Some of our funding is through foundations, yes.

Mr. Collins. How much? You said you raised $422,000 locally.

Mr. Ives. That was just from the auction.

Mr. Collins. How much does the Ford Foundation give you each year?

Mr. Ives. The Ford Foundation gives us money for specific projects.

Mr. Collins. How much do they give you toward the news program?

Mr. Ives. This year it is on a reducing grant, $125,000. Next year there will be nothing.

Mr. Collins. Do any other foundations give you money?

Mr. Ives. For news programs?

Mr. Collins. Yes.

Mr. Ives. No.

Mr. Collins. How much do you get in total from foundations?

Mr. Ives. For unrestricted support?

Mr. Collins. Yes, the total amount from foundations.

Mr. Ives. Somewhere in the order of 10 to 15 percent of our unrestricted operating money. I might have to check that figure for you.

Mr. Collins. You don't see where that has any influence on your thinking in any way?

Mr. Ives. No, because those contributions are only among about 50,000 different contributions that are made each year from businesses, from labor unions, from Rotary Clubs, from individuals and a cross section of the entire community.

One of the strengths of public broadcasting of this sort is that it can stand on that broad a base and should.

Mr. Collins. Let me ask you about this news. Would it run about a third of the cost of operating your station? Is it a more expensive part of operating the local station?

Mr. Ives. The news program?

Mr. Collins. Yes.

Mr. IVES. No, it is not. It is not that much.

Mr. COLLINS. It won't run a third?

Mr. IVES. Well, I guess I would have to go back and look at the figures. If we put all of the news programs we do together they might run that much of local programing.

Mr. COLLINS. Is news justified for a public broadcasting service? In other words, this is a government agency. Russia has its own agency. Yet we are setting up a public broadcasting service. Do we need this? We have good newspapers in most areas of the country. There is extensive television and radio and there are many sources of news. What news is not available in Boston that you are providing for them?

Mr. IVES. Half an hour a night of news that is not available on any other media. It is a program called Reporters. It digs specifically into news not covered by television and often not by the newspapers. Proof of that is that the Boston Globe monitors the program every night.

Mr. COLLINS. What type of news is this that is left out of the newspapers?

Mr. IVES. It is news primarily about small people who are having trouble with either government or business or with the establishment in some way, people who are having trouble heating their apartments, people who are having trouble with getting their streets fixed. There has been a story about an outfit that has a sewer smell in their neighborhood and they can't get anywhere. We keep after it and sometimes something gets done. It is a new kind of news and it is important. It is there and is not being done by anybody else. To suggest that public broadcasting should not do news seems to me to be sheer heresy.

Mr. COLLINS. Why is it sheer heresy? Why should we control the news sources? This country was built on the idea of free and independent news.

Mr. IVES. To begin with, the broadcasting of local news in Boston has no Federal money at all. The local news broadcasting in Boston has no Federal money, we raise the money to do that kind of programing locally. We got started with a grant from the Ford Foundation, and, as I say, that will disappear next year. We will be completely on our own. That is as independent an operation as you car suggest. So we are not using Federal money for that purpose. But if we had insulated Federal money for news and public affairs, I conceive that it ought to be done.

There is no group in the country doing a program comparable to the "Advocates." It is a program that brings public issues of major importance in front of the American people in a most compelling way and it has lots of interest. A lot of Congressmen appear on it. It is an entirely appropriate thing to be done with public funds as long as those funds are in a position where they can't be tampered with by either the administration or government.

Mr. COLLINS. How would the listening percentage on the listener rating compare with the ratings on NBC or CBS stations?

Mr. IVES. It is a lot smaller. Our share of the audience runs 5 or 6 or 7 percent of those watching the television at the time. The news of the other stations runs up around in the high 20 or 30 percentage.

Mr. COLLINS. Then the program you are carrying doesn't have a general appeal but a special market appeal?

Mr. Ives. It has a special appeal but it is growing all the time. Furthermore, it has a great deal of influence. It has an influence out of proportion to its audience.

Mr. Collins. On this news you are the only news independent public station in that half of the State of Massachusetts, or how many stations are there around there?

Mr. Macdonald. A network, two UHF's and channel 2.

Mr. Ives. There are seven stations altogether in Boston. Three UHF, and four VHF, and we have the license for one of the U's, as well as for one V.

Mr. Collins. Let me go into one other thing on this news. Do you have anything to do with covering the national conventions?

Mr. Ives. We do not.

Mr. Collins. Well, I understand that the system is going to cover them; is that right?

Mr. Ives. There has been some talk about it, and the last I heard it is not going to be done.

Mr. Collins. What would be your personal impression? Do you think that has any function in public broadcasting?

Mr. Ives. I think it conceivably could under the present circumstances. If I would vote for funds, I would vote for doing something different with those funds.

Mr. Collins. Thank you, Mr. Chairman.

Mr. Macdonald. Thank you, Mr. Collins.

I would just like to say that I don't think that the news thing you are talking about has a terribly high listening audience, and it is not unique. Both the Boston Globe and the Herald Traveler call it a different thing. They call it "Action Line," I think. They cover the same things.

I would just like to clear it up. You said it had influence with its listening audience. Could you explain that? Why does it have influence?

Mr. Ives. One of the reasons it has influence is because when——

Mr. Macdonald. I am not saying it doesn't have influence. I am repeating what you said, and you said it has influence. Your inference was that it had more clout than it deserved, and I don't quite understand that.

Mr. Ives. I didn't say it had more clout than it deserves.

Mr. Macdonald. You didn't use the word "clout." I did. You said it has more influence than the listening audience ratings would deserve. If that is true, why, you know better than I do; I don't know what the yardstick is that you use.

Mr. Ives. The yardstick is that stories begun or picked up on "Reporters" are often picked up and printed in other media in town, primarily the newspapers.

Mr. Macdonald. They have already got the two things going, "Action Line" and——

Mr. Ives. If they have those going, why do they pick them up from our station?

Mr. Macdonald. I never heard they did until right now. I just accept your word.

Mr. Ives. It happens.

Mr. MACDONALD. It is not from the Bible. I am not all that convinced.

Mr. OUZTS. There seems to be a continual discussion as to small audiences, and I think here, probably, it is good to clarify the position that I think most of public broadcasting finds itself in.

We don't want everyone to watch "French Chef." But we think "French Chef" serves a community because of the response we get from it. Yet we know the mass audience is not for it.

Furthermore, without large amounts of funds we are still in a leadership position now, even with the limited funds. News programs we did on a magazine format on PBL several years ago are now being done on all commercial networks. We no longer do it the same way. They learned from us.

Children's television grew up from public television, and now they are all shooting it back.

I would like to see this bill pass so we can have a tomorrow so we can continue to stay in a leadership position. Let them copy us.

Mr. MACDONALD. Nobody has, really, from the position of local management, pointed out why this is necessary.

It would seem to me from being a nonmanagement person in communications that leadtime is very important. I don't know how you get somebody to say—to build a program until you know you can do it for 6 months or a year or more. I don't know how you sell it, frankly. Don't you think that this would be terribly helpful in getting better programing, because you can tell them, "We have got x amount of dollars this year and we are going to get x amount of dollars next year"? Isn't that an incentive for these people to go to your station? Nobody has mentioned it yet.

Mr. OUZTS. I mentioned it in my remarks.

Mr. MACDONALD. I didn't see your remarks. I just heard you.

Mr. OUZTS. It is in there. We do need leadtime and security, and without it there are many things we can't do. And with it there are things we can do that we don't even know about yet because we have never been able to explore it.

Mr. COLLINS. Mr. Chairman?

Mr. MACDONALD. Mr. Collins.

Mr. COLLINS. Let me ask one question: Many people at home wonder about the Federal deficit we have, which will run $50 billion more this year, and they think it is a major cause of inflation, and ask are all of the expenses in Washington necessary?

Do we need to support public broadcasting, because it is a form of entertainment? Why should we support public broadcasting any more than we support professional football or professional baseball? Would you tell me why?

Mr. MACDONALD. If you can't, I will.

Mr. OUZTS. We don't classify it as a form of entertainment. If I had the opportunity to choose where the Federal dollars went, representing my own community, I would choose public broadcasting over many things over which the Congress has seen fit to fund.

Mr. MACDONALD. You are not going to talk about the farm program in Kansas, are you?

Mr. OUZTS. No, sir.

Mr. Collins. Just as an example. I would be interested in hearing some of them.

Mr. Ouzts. Well, the defense dollar.

Mr. Collins. You think that the American defense isn't as important as public broadcasting?

Mr. Ouzts. Yes, sir. But I think, in terms of dollars being put in, the American public gets more for their money now than they do in their defense area.

Mr. Collins. I would like to talk a little bit about this. You realize that the Russians passed the United States in military support yet you make that statement.

Mr. Macdonald. Will the gentleman yield?

We have been all over the lot. I don't think we ought to get into defense.

We appreciate your coming here. There is one legitimate question Mr. Brown wanted to ask, but he had to leave to vote. When I asked you did you represent selected broadcasters, local broadcasters, he asked me, by what form of selection were you selected to come here, except maybe geographically? Let me ask the question: Who selected you?

Mr. Siegel. I believe in my case Congressman Rooney felt that I could shed some light as it pertains to our particular station. I think some of the things in my statement did reflect the feelings of the Eastern Educational Network, which represents about 30 stations in the Northeast.

Mr. Macdonald. I am not arguing about the fact you were selected. I would just like this for the record, and I know Mr. Brown will ask the question eventually. I didn't know it was accidental or geographical. Mr. Rooney represents you. Theoretically I represent Mr. Ives. We don't have anyone from Kansas, I don't think, any more. But in effect you are not speaking except as typical broadcasters. In other words, you are not representing a group of broadcasters as their selected representatives; is that correct?

Mr. Ouzts. We were not selected by broadcasters, to my knowledge, although I can speak pretty powerfully for about 15 midwestern broadcasters that I know personally and have discussed problems with for years.

Mr. Macdonald. As I say, I have no personal quarrel about it. Mr. Brown was about to raise the question. I didn't have time to recognize him. He will read it in the record.

Mr. Ives?

Mr. Ives. I can only say that Mr. Siegel and I both represent the Eastern Educational Network. We are both members of that and it met only last week. What Mr. Siegel had to say about the formula, and I repeated some of that, was indeed the subject of a resolution by 33 stations on the eastern seaboard.

Mr. Macdonald. Thank you, gentlemen, very much.

The hearings are adjourned until tomorrow at 2 p.m.

(Whereupon, at 4:45 p.m. the subcommittee adjourned, to reconvene at 2 p.m., Wednesday, February 2, 1972.)

FINANCING FOR PUBLIC BROADCASTING—1972

WEDNESDAY, FEBRUARY 2, 1972

House of Representatives,
Subcommittee on Communications and Power,
Committee on Interstate and Foreign Commerce,
Washington, D.C.

The subcommittee met at 2 p.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. Torbert H. Macdonald (chairman) presiding.

Mr. Macdonald. The committee will come to order.

Our witnesses, as I understand it, will be, if this is your pleasure, a panel.

Will that be one statement or five statements?

STATEMENTS OF WILLIAM G. HARLEY, PRESIDENT, NAEB; LLOYD KAISER, CHAIRMAN, NAEB EXECUTIVE BOARD, AND PRESIDENT AND GENERAL MANAGER, STATIONS WQED/WQEX, PITTSBURGH, PA.; KENNETH KAGER, CHAIRMAN, BOARD OF DIRECTORS, NATIONAL EDUCATIONAL RADIO, NAEB, AND GENERAL MANAGER, STATION KUOW, SEATTLE, WASH.; JOHN A. MONTGOMERY, NAEB EXECUTIVE CONSULTANT, INSTRUCTIONAL TELEVISION, AND EXECUTIVE DIRECTOR, IOWA EDUCATIONAL BROADCASTING NETWORK; ACCOMPANIED BY FREDERICK BREITENFELD, PH. D., VICE CHAIRMAN OF THE BOARD, EDUCATIONAL TELEVISION STATIONS, NAEB, AND EXECUTIVE DIRECTOR, MARYLAND CENTER FOR PUBLIC BROADCASTING, COMPRISING A PANEL REPRESENTING NATIONAL ASSOCIATION OF EDUCATIONAL BROADCASTERS

Mr. Harley. Several of us have written statements to put in the record. Each will make a brief oral presentation and then if you agree, we will submit to questioning as a panel.

Mr. Macdonald. Without objection the statements of the witnesses will be inserted in the record. (See p. 178.)

I recognize the gentleman to proceed with his testimony.

Mr. Harley. I am William Harley, president of the National Association of Educational Broadcasters. I am accompanied by four associates, all of whom have had extensive experience in the management of noncommercial broadcasting stations.

We appear here to support the objectives of H.R. 11807 and H.R. 7743. We are also aware that there are proposals forthcoming from the administration and that there is a bill from Congressman Brown. We have not had sufficient opportunity to analyze these last two bills but both may be contributive to some of our objectives and we would like to request, Mr. Chairman, that we have the opportunity to provide later comment after we have found out more about them, after we have heard the proponents speak to them. Then we will be pleased to give our reactions.

Our general position is that there is urgent need for increased support for educational television and radio stations, for capitalization and improvement of station facilities, for the Corporation for Public Broadcasting to be strengthened and that instructional activities of stations be given enlarged support. To that end we respectively submit to the committee our recommendations for your consideration.

First, Federal legislation should make provision for increased direct operational support of educational television and radio station activities. Television stations now receive Federal funds from CPB for operations based on a formula directly related to their budgets.

Similarly, community service grants from CPB for educational radio stations are based on special operating criteria. We favor the continuation of the formula principle for the awarding of grants to the stations. These funds go through the Corporation for Public Broadcasting according to a formula developed with the stations, and the Corporation currently allocates about 17 percent of its budget to these community service grants.

We support your bill's position that the Corporation be required to earmark a minimum of 30 percent of its total annual income for direct disbursement to public television and radio stations but we suggest that this percentage should be increased year by year.

Second, we recommend that funds for the Corporation for Public Broadcasting should be substantially increased and be provided for more than a single year.

We endorse the continuation of the Corporation as a means of providing direct operational support to the stations as well as other essential national programs and related services. But if the Corporation is to fulfill its responsibilities properly, it must be funded on a multiple-year basis.

Hence, we favor the establishment of a Federal public broadcasting fund, as is proposed in the chairman's bill, from which the stations and the Corporation would draw support. Such a fund would draw in proportion to the increase in non-Federal dollars in educational broadcasting.

The fund's fiscal dimensions would be one-half of the non-Federal dollars in the total educational broadcasting enterprise plus a $35 million base amount. From that fund we urge that $75 million be appropriated for fiscal year 1973 for disbursement by the Corporation with increased amounts annually thereafter.

Our third recommendation: There should be an enlargement of Federal support for capitalization and improvement of station facilities related to the demonstrated need for such support. To keep pace with our urgent needs, we recommend $35 million be provided for this purpose in fiscal year 1973.

Federal involvement in facilities funding on a matching basis has been demonstrably successful and the average Federal dollar has stimulated about six times as much as non-Federal dollars in capital expenditures, which we submit is a pretty good yield on the Federal investment.

However, this program is far below the funding level necessary to meet current requirements. We have about $30 million in requests over at HEW right now and the authorization is only $15 million. The Federal budget for this in fiscal year 1973 is only $13 million and we expect there will be another $20 million in requests coming in within the next year. It is obviously very inadequate to meet urgent needs for facility grants.

Our fourth and last recommendation: We recommend a grant program to support instructional activities at educational television and radio stations. These funds are necessary to multiply the effectiveness of the dollars already earmarked by schools and colleges for instructional broadcasting services in order to manage their application and their use in more effective ways.

This will yield improved use, reduced unit cost, and the equalization of educational opportunities that can be provided through these community resources. We recommmend at least $30 million for this program in its first year.

Now we need to take a moment to relate these recommendations to the bills that are before us. Both of them provide for authorization and financing over a 5-year period, which we certainly favor. Our suggestion is that the funding start at $75 million for fiscal year 1973 rather than $65 million, as provided in the chairman's bill, and that it be increased proportionately for the next 4 years.

Moreover, we believe that the criteria proposed for determining the eligibility for distribution of funds to stations is not quite precise enough and it leaves the final determination for satisfaction of these criteria to the Corporation.

To be satisfactory to us there would need to be a good deal more specific direction for distributing the funds. Neither bill, of course, addresses itself to increased support for facilities or for instructional activities for stations, both of which we feel are important.

Mr. Chairman, H.R. 11807, though incomplete in our view, is an excellent beginning and it does support many of our objectives. We believe it could be amended in such ways as to be fully acceptable to our membership.

Before I introduce the members of the panel, I would like to make one general statement to this effect: We are aware, on the basis of the questions that have been raised in these proceedings earlier, that you gentlemen are very much interested in the relationships between the Corporation and the broadcasting stations.

My colleagues and I wish to be fully responsive to this line of questioning, but I should like to state first off that critical comments or suggestions that we may make should not be misread as suggesting that the field of public broadcasting is in wild turmoil or chaos and has no consensus. In fact we agree on many matters. A healthy give and take and vigorous expressions of views are signs of a lusty and healthy enterprise.

We believe the national elements—the Corporation, the Public Broadcasting Service, and National Public Radio—should be continued and strengthened, as well as the local stations, which, of course, are the cornerstones of a public broadcasting system.

Together they compose an overall system we think works well and will work better in the future. However, I think it is understandable that any enterprise so new and so unprecedented as this inevitably will have in it some stresses and strains and it will require some necessary changes and adjustments as we gain greater experience.

In general our views can be summed up by a current Washington word. The tilt should be toward the stations; that is, the emphasis in the future should go more to station needs. We are proud of the progress which has been made in a very short time and with far too little money, for this the Corporation, PBS, and NPR, and their leadership deserves great credit.

We feel a larger proportion of the funds must go to the stations so that they can better serve their communities, and they must have a greater role at the national level so that they can have a stronger voice in such decisions.

In other words, we believe the concept is not wrong. We need a change in the emphasis. We need to do something about modifying some of our priorities and some of our procedures as we continue the evolution of a strong and effective public broadcasting service.

Now, I would like to——

Mr. MACDONALD. Before you do, Mr. Harley, I would just like to ask you, do you support the bill or not?

Mr. HARLEY. Yes; we support the major objectives of your bill. We feel that with some amending it would be acceptable to us.

Mr. MACDONALD. Do you have anything in mind that should be changed?

Mr. HARLEY. We think there has to be a more specific stipulation as to how funds are distributed to the stations.

Mr. MACDONALD. After all the rhetoric that has gone on, that does seem to be a bone of contention. Personally, I have never heard from anybody—maybe other members have, but I haven't—from local stations. They seem to be terribly happy with the present situation. Are you dissatisfied with the present situation?

Mr. HARLEY. I wouldn't say we are dissatisfied. We are troubled about some trends that we perceive. We believe these need to be altered.

Mr. MACDONALD. In what way?

Mr. HARLEY. The emphasis, we think, needs to come down in the direction of the stations. Mr. Macy, himself, has indicated it is time after the initial period of building the various national elements and putting them into operation that we need to give greater emphasis to the stations.

We mean a much greater proportion of the Federal funds must now begin to be directed to the stations.

Mr. MACDONALD. As you understand in the bill that I propose, 30 percent goes through the Corporation to you.

Mr. HARLEY. Right.

Mr. MACDONALD. Do you have any difficulty with that phase of the bill?

Mr. HARLEY. We have always supported the 30 percent as a minimum. We want to escalate from there to a much higher level in the course of a few years.

Mr. MACDONALD. I don't mean to be rude but we have other people. Would you just answer "Yes" or "No"? Do you support that section of the bill?

Mr. HARLEY. We support the 30-percent provision as a minimum.

Mr. MACDONALD. What would you like as a maximum?

Mr. HARLEY. We think it should go on up to at least 50 percent and possibly higher than that. At least 50 percent over the course of a 5-year period.

Mr. MACDONALD. But you do support the 5-year provision?

Mr. HARLEY. Absolutely.

Mr. MACDONALD. Will you tell us why you support the 5-year provision in the bill that is being considered here?

Mr. HARLEY. Yes. In our business it is impossible to make program decisions for a 1-year period. Stations and CPB need a longer time to prepare. This is necessary for a stable sort of enterprise. Not knowing what next year's budget is going to be makes it almost impossible to plan in an effective way. We have always supported the long-range authorization for the Corporation.

Mr. MACDONALD. I understand, Mr. Harley, you are representing the local broadcasters?

Mr. HARLEY. Yes, sir.

Mr. MACDONALD. You are speaking for them? This is something which has been thought out by them?

Mr. HARLEY. Right.

Mr. MACDONALD. What you are saying represents the local broadcasters?

Mr. HARLEY. Yes.

Mr. MACDONALD. How many are there?

Mr. HARLEY. How many broadcasters are there altogether?

Mr. MACDONALD. Yes.

Mr. HARLEY. Our membership is composed of both institutional members and individual members. There are about 4,000 individual members but the strength of the association is in the approximately 200 TV and 200 radio licensees—broadcasting stations.

Mr. MACDONALD. You are speaking for the entire group, the panel?

Mr. HARLEY. Right. My colleagues can defend some of these attitudes rather more specifically. That is our sort of game plan that they would speak more precisely to some of the elements of your bill.

Mr. MACDONALD. Do you feel you have had any real conflicts with the setup as it now is with the Corporation? Have you had any real trouble?

Mr. HARLEY. We have had differences, surely. These are matters of degree.

Mr. MACDONALD. Have you had any real trouble?

Mr. HARLEY. No, not real trouble, at least nothing that cannot be managed. There are no troubles that we perceive that cannot be managed internally within the industry.

We think we are developing some mechanisms for providing greater voice of the stations in decisionmaking by the Corporation and this is a healthy approach which has been developing rapidly.

Mr. MACDONALD. Do you approve, which is really my long-range question, do you approve of the setup as it is now?

Mr. HARLEY. We think the present is a workable one and the best one that has been proposed.

Mr. MACDONALD. Do you disapprove of anything that has happened?

Mr. HARLEY. Of anything that has happened?

Mr. MACDONALD. Not anything, because we all have differences, as you have said, and reasonably. That is the basis of our system. I am asking you, do you have any real basic problems to bring out? You will never have a better opportunity.

Mr. HARLEY. Right. I think—and as my colleagues will develop the theme—it is this: It is appropriate that we have these national agencies as service agencies to the stations and that they be seen in that perspective. That being the case, we would think that now, after the startup period, during which you had to set up the whole system, that the funding must go more heavily toward the stations which in effect gives greater emphasis to the stations.

Mr. MACDONALD. I thought you said you supported the 30 percent?

Mr. HARLEY. That is the start. That is the beginning.

Mr. MACDONALD. Everybody wants more money all the time.

Mr. HARLEY. But this is important because it relates to the station's needs over the next 5-year period.

Mr. MACDONALD. In the past do you think you have been shut off?

Mr. HARLEY. Not at all.

Mr. MACDONALD. In other words, you are sort of happy with what is happening now?

Mr. HARLEY. We think we have done very well and that the leadership of these national enterprises has been excellent. In general it has been going in the direction the Congress intended, that the stations want, but we think there must be some new emphasis in giving greater support to the stations, and that is the direction we support, beginning at 30 percent and going on up so that the higher proportion of the money eventually rests with the stations themselves.

Mr. MACDONALD. Is it true, as I have heard and as I believe, that if the network sends you programs, you don't have to use them—the local stations I am talking about.

Mr. HARLEY. That is correct. The control point is always at the local stations.

Mr. MACDONALD. Do you have any problems with this?

Mr. HARLEY. No.

Mr. MACDONALD. Half the local stations thought that perhaps the programs coming out of the network were either good or bad. What is your position about that?

Mr. HARLEY. As I say, I think my colleagues, speaking as local station managers, can speak rather more specifically to this.

Mr. MACDONALD. You are their spokesman.

Mr. HARLEY. I would say in general they have been very pleased with the sort of programs that have been developed by the national radio and TV program agencies.

Mr. MACDONALD. Have you felt any sort of pressure from the Federal Government one way or the other?

Mr. HARLEY. No.

Mr. Macdonald. Do you think that direct allocation to local stations would either uninsulate you, if that is the word, or tend to have more control over the local stations?

Mr. Harley. I am sorry Mr. Chairman, I did not hear all of that.

Mr. Macdonald. What I am really talking about and, I think, what these hearings are all about, and you are terribly important in this thing, the only question which has really been raised that has any substance outside of the amount of money that Congress is ready to raise, which is a problem, is how to allocate it. We tried in 1967 to insulate you people from any type of Federal pressure or governmental pressure.

I am asking directly because you do represent the local stations and apparently all over the country. No. 1, have you had any pressure in the past from the Federal Government?

Mr. Harley. No.

Mr. Macdonald. Do you think that the power to go over the head of the corporate broadcasting people, to do this could possibly lead to more pressure from the Federal Government than if it were just dispensed on a Federal level rather than a local level?

Mr. Harley. If I understand you correctly, Mr. Chairman——

Mr. Macdonald. I hope you understand me, because you are going to the exact heart of what these hearings are about.

Mr. Harley. Right.

Mr. Macdonald. What I am saying is, and I hope you understand. Do you think it is a good idea to have direct allocation to the local station?

Mr. Harley. No; we do not. We think that the Corporation was an effective mechanism established by the Congress. We think only that it would work more effectively and be better insulated if it had long-range funding.

Mr. Macdonald. The long-range thing we agree to. I am talking about the method.

Mr. Harley. We think that the Corporation is the most appropriate and effective method that the wisdom of the Congress has developed.

Mr. Macdonald. It satisfies you.

Mr. Harley. Right.

Mr. Macdonald. Mr. Van Deerlin?

Mr. Van Deerlin. Sir, what is the principal monetary need of the local stations?

Mr. Harley. I would say, first of all, that it is programing money. They want to be highly responsive to community needs. Yet, although they perceive what could be done, they don't have the funds to do it. But it is also clear that stations are so different in their different communities that they will have different needs.

This is why we have always insisted that these be unrestricted grants, so that they could use them in ways most appropriate to their own local situation. But many of them also desperately need equipment and facilities in order to carry out their program ideas. So it varies across the country.

Mr. Van Deerlin. How many of your stations have a color capability?

Mr. Harley. That is production capability or transmission capability? I would guess about three-fourths of them have color capability for transmission purposes. I think it is much less than that for color production capability. My written statement has details on this. (See p. 181.)

Mr. Van Deerlin. Color capability is extremely desirable, isn't it?

Mr. Harley. Indeed it is. We ought to have, we think, for public broadcasting, as good or better equipment than our commercial colleagues. We are competing, in a way, for audience viewing. If they see something that is in black and white, it is not as advantageous as in color. For instruction purposes, color is really much more realistic and instructive than black and white.

Mr. Van Deerlin. How are the salaries in local educational broadcasting viewed in general?

Mr. Harley. Too low.

Mr. Van Deerlin. Yes. I believe you have a publication that is distributed that carries opportunities in a sort of classified section.

Mr. Harley. Correct.

Mr. Van Deerlin. It seems to me I recently saw a station manager being sought who would be a Ph. D. and with experience in management and nice looking and willing to travel, and all. For this they are willing to pay $9,500. Would it be your idea that a good deal of the new money that you need should be to beef up these salaries a little?

Mr. Harley. I don't think an unduly high proportion of that would go into increasing salaries, although it is clear in many cases they are greatly underpaid, and that that needs redressing. We ought to have first-rate talent to do the job, and we are just going to have to compete for people who are capable.

Mr. Van Deerlin. You must have a rapid turnover.

Mr. Harley. Too much.

Mr. Macdonald. Why do you underpay your people?

I have never heard of management acknowledging publicly that they underpay their employees.

Mr. Harley. They pay them as much as they have resources to pay them with. They don't like that situation.

Mr. Macdonald. Sir, could you get the microphone closer?

Mr. Harley. Mr. Chairman, they don't like to underpay their staff and they would like to raise their salaries. In many cases there are not enough resources for them to do that. In some cases we are geared into an academic ladder; that is, the licensee is an educational institution, and station salaries have to be equated with professorial and instructional, and so on, levels of pay.

Mr. Macdonald. Don't some of your better performers—which I only know from Boston—also double as professors? The man who ran "The Advocates" was a professor at Harvard Law School. He was on your payroll—I don't mean your payroll; but on the payroll of channel 2—at the same time he was drawing money from the Harvard Law School.

Mr. Harley. Well, it would be clear some of those situations exist.

Mr. Macdonald. All I am trying to establish is that I hope you don't try to run this on a shoestring; that you get guys moonlighting for you. You know, if you have a problem about salaries at all, this is the time to make the pitch about it. I don't see why somebody has to be a professor at Harvard Law School and be a channel 2 producer, announcer, director, and all like that, for such a good program as he put together. Why can't you attract better people?

Mr. Van Deerlin. The national Corporation has not been insensitive to the need for adequate pay for certain on-the-air personnel.

Mr. Harley. In reference to the chairman's question, ofttimes people who would be the best to perform a certain function, say a moderator of a nationally distributed discussion program, may be on a faculty or in some other enterprise. We could not afford to hire them full time merely for that single program series.

So it is a matter of looking wherever we can to find the best possible talent for a particular role to play. But, by and large, I would like to say again that the stations need more money to pay better talent and to pay their staffs an adequate wage.

Mr. Van Deerlin. It was at your recent convention, I believe, that the Director of the Office of Telecommunications Policy spoke—is that correct?

Mr. Harley. That is correct.

Mr. Van Deerlin. Again, to pose the question: Are you quite certain that you felt no element of Government pressure, a little display of the gloved fist there?

Mr. Harley. We were disturbed by some of the things he said; but some of the things many of the stations agreed with. It was a sort of mixed reaction.

Mr. Van Deerlin. You would not have been disturbed if the hotel clerk had said it, would you?

Mr. Harley. I think we were concerned about what he had said. It raised questions. As you know, the educational television station representatives did prepare a reply to him.

I think it is one thing for representatives of the Government to raise questions about things that we think public broadcasting ought to be open to scrutiny on; people ought to question things about it, and we want that. We think that is healthy. We didn't feel that was undue pressure upon us.

Mr. Van Deerlin. Just to finish on this idea, you did not, then, feel that any wedge had successfully been planted between you and your national organization?

Mr. Harley. Not at all.

Mr. Macdonald. I would just like to pursue a very good question raised by Mr. Van Deerlin. What was your reaction?

Mr. Harley. I think it was mixed. Some of our people were very angered about what we felt were unsupported charges in his speech.

Mr. Macdonald. Representing the local stations, do you think what was said is correct or incorrect?

Mr. Harley. I cannot answer that yes or no.

Mr. Macdonald. Why not?

Mr. Harley. Because some of it was probably true; and some was not true.

Mr. Macdonald. What part of it was true?

Mr. Harley. We felt, for example, that his statement to the effect that there ought to be greater funding and greater emphasis on local development was right.

Mr. Macdonald. We all understand, those of us who are interested in public broadcasting, the more money that is available, all to the good. What about the wedge that was driven, obviously, between the Corporation and the local stations?

Mr. Harley. I don't think he succeeded in driving a wedge between the stations and the Corporation. I think he raised some questions, many of which we had raised for months and months before that. So this was not entirely new, but some of the charges we thought were unfair, or at least needed greater explanation or interpretation than he gave them.

In general, he laid stress on the fact that the stations should be given greater support and play a greater role, and we have been saying that. That is exactly the burden of our testimony here today.

Mr. Macdonald. By "he," for the record, I am sure you mean Dr. Whitehead.

Mr. Harley. Dr. Clay Whitehead.

Mr. Macdonald. Does he have any control over you in any legal way?

Mr. Harley. Of course not.

Mr. Macdonald. Do you pay any attention to what he says?

Mr. Harley. Naturally, we talk with him because we have been hoping that the administration would also develop a bill with reference to continued support for public broadcasting. This was promised long ago. The President promised there would be such a piece of legislation, and it wasn't forthcoming. We have been urging that it come up.

Mr. Macdonald. If a pronouncement is made in Miami, what is the reaction of the local station?

Mr. Harley. To Dr. Whitehead?

Mr. Macdonald. I guess that is whom we are talking about.

Mr. Harley. I think clearly they would pay attention to him, as presumably a spokesman representing the administration.

Mr. Macdonald. In what way and for what reason would you pay any attention to him? Dean Burch is Chairman of the FCC.

Mr. Harley. Right; we would pay attention to him merely as apparently reflecting the attitudes of the White House.

Mr. Macdonald. Who do you think represents the opinion of the White House? Is it Dean Burch, who has been selected by the President to be Chairman of the Federal Communications Commission?

Mr. Harley. Dr. Whitehead has said he represents the White House views.

Mr. Macdonald. When did he say that? I have tried to research this. I have never seen any place where he said he represented the White House.

Mr. Harley. I read it in a national magazine article recently; Newsweek, I think it was.

Mr. Macdonald. I read all sorts of things, both magazines and papers from my own district. Do you believe that he does represent the White House?

Mr. Harley. Yes, I think he does speak for the White House.

Mr. Macdonald. Have you talked to Mr. Flanigan? Has Mr. Flanigan ever called you?

Mr. Harley. No, he has not. Mr. Whitehead has indicated in matters of communications policy he is speaking for the White House.

Mr. **Macdonald.** He said that. You said you read that in the newspaper. Has he ever talked to you and said, "I am talking for the administration"?

Mr. **Harley.** I have raised the question whether he really was representing the administration.

Mr. **Macdonald.** You talked to him about it?

Mr. **Harley.** Absolutely; I raised the question.

Mr. **Macdonald.** You talked to him on the telephone?

Mr. **Harley.** I talked to him in person.

Mr. **Macdonald.** He said he represented the administration?

Mr. **Harley.** Right; I have raised the question of whether he really represented the White House views about public broadcasting. He said, as nearly as I can recall it, "I think I can say that I am on top of this matter."

Mr. **Macdonald.** He said what?

Mr. **Harley.** "I am on top of this matter. This is under my control."

Mr. **Macdonald.** That is not really a declaration that he is talking for the White House. "On top of the matter," you know, unless you have spent some time in Washington, you would think something else. Has he ever told you that he represents the administration's point of view about how communications should be handled?

Mr. **Harley.** Well, more specifically, he said, in effect, "I am indicating the White House views on public broadcasting."

Mr. **Macdonald.** Is that a quote?

Mr. **Harley.** That is more or less a quote. I can't remember precisely his words.

Mr. **Macdonald.** Did he say it or not? It is hard for us to find out.

Mr. **Harley.** That was the substance of his statement, yes.

Mr. **Macdonald.** I don't care about the substance. What did he say to you?

Mr. **Harley.** I can't recall the exact words, Mr. Chairman.

Mr. **Macdonald.** I hope you can. I would think it would be terribly important to you.

Mr. **Harley.** Of course it is important to me.

Mr. **Macdonald.** What did he say?

Mr. **Harley.** I raised the question of whether he, in effect, was his own master in talking to us about proposed legislation because a number of our people had been raising the question as to whether Dr. Whitehead could speak for the White House. He, in effect, said, "I think I can say to you, yes, that I am in charge of this matter for the White House, for the administration."

Mr. **Macdonald.** Did he say whatever happened to Dean Burch?

Mr. **Harley.** No, he didn't mention him except to indicate that he is in rather frequent contact with Mr. Burch.

Mr. **Macdonald.** So as far as you are concerned, speaking for your segment of the broadcasting industry, when you talked to Dr. Whitehead, you think he is speaking of the administration's position in your area?

Mr. **Harley.** Exactly.

Mr. **Macdonald.** And you just ignore Mr. Burch?

Mr. **Harley.** No. We have talked to Mr. Burch, who also spoke to our Miami convention, incidentally. It is my understanding from what he has said that he has agreed that Dr. Whitehead is the proper spokesman in this particular area.

Mr. MACDONALD. What particular area?

Mr. HARLEY. Public broadcasting legislation.

Mr. MACDONALD. In other words, he doesn't speak for the administration except specifically for public broadcasting? In other areas of communications he does not speak for the administration?

Mr. HARLEY. We didn't discuss any other area. This is the only area he addressed himself to.

Mr. MACDONALD. It was probably a confused conversation.

Mr. Keith.

Mr. KEITH. Thank you, Mr. Chairman. I am relatively new to this committee. It has been my impression that the purpose of the creation of the Office of Telecommunications Policy was to get into the broad areas of philosophy, as contrasted to allocation of the spectrum and license renewal proceeding—the kinds of things the FCC has been doing in years past. I think there is a need for an Office of Policy just as I think there is a need for an Office of Energy Policy which, over and beyond the Federal Power Commission, would deal with the problems of energy in the decade and decades ahead.

I can appreciate the fact that the Office of Telecommunications Policy and the problems are so new that they wanted to proceed slowly in the first year before actually coming forward with major changes in policy. As for some of the specifics you have been talking about; this 30-percent support. Do you have any guidelines, furnished by public broadcasting as to how they would like to see you spend it?

Mr. HARLEY. How they would like us to see money given to the stations?

Mr. KEITH. No, this 30 percent. Do they, for example, say that your initial effort should go toward equipment?

Mr. HARLEY. No; these are unrestricted. They can make the judgment as to how they are expended.

Mr. KEITH. Pardon?

Mr. HARLEY. The stations have the decision to make on their own about how they expend these funds. Of course, stations do not now receive 30 percent of CPB funds. At present they receive only about 15 percent of CPB funds.

Mr. KEITH. So you don't really have to submit a budget that needs approval?

Mr. HARLEY. Yes; they need to submit a request that reflects this. May I refer this to one of my colleagues?

Mr. KEITH. Certainly.

Mr. KAISER. It is an unrestricted community grant. It may be used in any area in support of the station except in the area of facilities because there is a separate facilities program. The station merely determines the most acute needs that can be served by this money, requests it, indicates how it will be spent with the budget and it is almost automatically approved.

Mr. KEITH. You say "almost automatically"?

Mr. KAISER. I don't happen to know one that was not, but I don't happen to know about all the grants.

Mr. KEITH. This 30 percent doesn't include, then, the value of any network programs that are furnished to you or the costs of putting them on?

Mr. KAISER. No.

Mr. KEITH. How do you allocate the funds within your budget? Is there any breakdown between public affairs, news, and cultural matters, on the one hand, and instructional TV, on the other?

Mr. HARLEY. You are relating to a total station budget?

Mr. KEITH. Yes.

Mr. HARLEY. I think one of the station managers ought to answer. This is the chairman of our NAEB executive board, Lloyd Kaiser, who is also manager of TV stations WQED and WQEX in Pittsburgh. He can be more responsive to that than I.

Mr. KAISER. The station, as I mentioned earlier, determines its most acute need and requests money to help meet that. The station might seek money for programing. It might seek money in areas of utilization.

Mr. KEITH. Generally speaking, how does the average station break down its expenditures between the major categories of instructional educational program on the one hand, and, on the other hand, noninstructional—such as public affairs, cultural, and news?

Mr. KAISER. In terms of the expenditure of funds?

Mr. KEITH. Yes.

Mr. KAISER. It is so very different in each station. I could give you the example of the station which I head. We have a $3 million budget. We receive from the schools $200,000 at about a dollar per pupil for the programs they receive. To do an adequate program the funds are totally inadequate. We are given discretionary funds from the State as well.

We use some of these funds, about $25,000 or so, for that. We take general contributions, enough that we end up with about $400,000 of our budget for instruction funds. The instructional programs take up about 50 percent of our air time. Most of the daytime hours are in school. That part of the budget is instructional.

There would be in addition to that parts of our budget which are overhead, which are assessed over the entire station that would increase that. One of our problems has been, that in the case of our station, only 1.6 percent of our budget comes from this Federal fund, from the CPB community service grant. With that we are unable, in the case of instruction or any other area, to make much of a dent.

We take it from our general support. The instructional program, therefore, cannot be as effective as it should be. There is a great need for money to come directly to the station to help the investment that we have made in the instructional program to do a more effective job. Despite that the programs that we present in terms of the number of students we reach and so on is an excellent investment.

Most stations, perhaps all stations, have a great priority on instructional programing. Half of the programing in daytime hours are instructional. We need additional funds in that area.

Mr. VAN DEERLIN (presiding). I understand you gentlemen were expecting to render individual statements before the group submitted to questioning.

Mr. HARLEY. Right.

Mr. **Van Deerlin**. In the interest of orderly procedure, I think I will have to ask unanimous consent to allow all the panel to be heard before we resume the questioning. Does anyone object to this suggestion?

Mr. **Tiernan**. What do these other gentlemen offer that has not been covered by Mr. Harley?

Mr. **Van Deerlin**. Mr. Tiernan, I can only assume they will offer varied testimony, all of it important.

Mr. **Tiernan**. I appreciate that, but there are four more members of this panel. I have had less time to question than the gentlemen would——

Mr. **Van Deerlin**. That is why I asked unanimous consent.

Mr. **Frey**. Are we going to follow the 5-minute rule or the hour rule from now on?

Mr. **Brown**. Reserving the right to object, are we going to start complying with the 5-minute rule?

Mr. **Van Deerlin**. I can assure you if there is no objection to letting the panel proceed, the 5-minute rule will be rigidly followed.

Mr. **Tiernan**. Before we proceed, could I inquire how much time these other gentlemen will require to testify?

Mr. **Harley**. They have about 5 minutes apiece. They do have some particular points of view I hope can be reflected.

Mr. **Van Deerlin**. Hearing no objection, proceed.

Mr. **Harley**. I would like to reintroduce Mr. Kaiser.

STATEMENT OF LLOYD KAISER

Mr. **Kaiser**. I do not apologize for being an enthusiastic supporter of public television. I think it is perhaps one of the most breathtaking, wildly improbable, beautiful, idealistic ideas in this democracy in the 1970s. I think that to serve all the people, to have stations owned by all the people, expected to be many things to many men and to do it by uncertain contributions and grants to a great extent in a costly medium is an unusual, indeed, an improbable dream.

We all are aware that we hadn't put our dream on paper. Carnegie placed it on paper and the stations then asked for their own corporation which would responsibly serve them and help bring about that dream.

Mr. **Tiernan**. May I interrupt at this time? Is the witness testifying from a prepared text or is this not part of the prepared text?

Mr. **Kaiser**. This is just from notes.

Mr. **Tiernan**. Is this statement part of the record that you presented to us?

Mr. **Kaiser**. Yes; it is part of the record. (See p. 206.)

We find that instead of the $133 million a year for operating costs that Carnegie recommended, we have had $30 million. Instead of $50 million for facilities, we have had $13 million. So perhaps we could say that the greatest miracle is not the marvelous dream, but the fact that the stations and their corporation could bring it off at all on one-third of the conservative estimate that did not take inflation into account.

The headline, and I am sure you have seen it, related to television, tells the desperate story in such diverse places as Philadelphia, Hershey, San Francisco, indeed the Nation's Capital. The first desperate plea, I am sure not unexpected, is that we have a major leap forward in terms of funds for an extended insulated period.

Our second is one that was brought to you yesterday by Mr. Sheldon Siegel, who suggested that the percentage of that total, as related to unrestricted community grants to stations, was very important to us. We receive services in two ways: One, from the Corporation for Public Broadcasting, which provides our interconnection, our national programs and many other services that they described to you yesterday.

We are very pleased with these services, they are essential. You may wonder when Carnegie said the No. 1 goal was stations why in the past the stations did not complain that 12.5 percent was left over for direct grant unrestricted community grants to stations. The simple reason is that the stations regard those services as basic, as essential and as important. They needed to be established first because we didn't have those.

We then moved to 30 percent, which we requested, and the Corporation yesterday suggested, could be met if the total figure moved to $45 million. Yesterday Mr. Siegel suggested that as that total becomes greater and as we look at not the corporate, but rather services from the Corporation and direct grants to us, it was the judgment of the stations that if it were to move up well beyond the $150 million mark and the other figures that are suggested over the years, that that should indeed be reversed, that 70 percent of the total dollars, the total Federal dollars, might more properly at that point, as we move on, go to stations and that 30 percent of such a much larger fund could meet the basic services that come from the Corporation.

What the exact percentage might be needs to be studied more carefully. In general, I think this and some of the questions about the diversification, decentralization, the station servicing the local community determining local needs receiving two kinds of services, answer this.

In the current bill it is stipulated in terms of the percentage, the 30 percent; we think it should be stipulated. We would much prefer, and the stations are in agreement on this, that the increase in the percentage be there as the increase in funds is there each year. That is not true in the present bill.

The third thing in addition to additional funds, the increasing percentage, the tilting toward the station later on, is the formula. The station suggested the present formula by which they receive these unrestricted grants. The Corporation listened to the stations and the formula we have today that they are following in an unrestricted way is the very one we suggested.

Experience has shown that it is a pretty good formula. It has about three features: One, that there be a minimum grant to protect the small station, a maximum grant so that the large stations wouldn't get an immense amount of money and that the amount in between would be determined by the amount of income that that station would receive from its area, thus providing incentive for the station to receive additional local funds and State funds which would be matched. That has worked out extremely well. We feel that that should be something which is definitely stipulated and, therefore, the Corporation in terms of its basic services is a Corporation that can service us totally in a way that they have in the past.

Probably an additional element of that formula might be a percentage of the budget over which we should not receive Federal funds, perhaps not more than an amount equal to 25 to 30 percent, or whatever of the budget. should come from Federal funds. We are very concerned that we be diversified.

We receive most of our funds locally and statewide. As I mentioned earlier in the case of Pittsburgh, 1.6 percent of our budget at the moment comes from the unrestricted CPB grant. The final suggestion in addition to additional funds, the percentage going up as the amount goes up and the formula which the Corporation has administered so admirably being a part of this, is that we receive additional funds in the instructional area directly to the station to help that program for the reasons given earlier.

If this were done, I think a good many of the problems which we have had would be met. In the facilities area we should not have situations where stations have such low-power transmitters today that they can't reach all the people that they are expected to serve—70 percent of the stations do not have color tape recorders. They have no choice but to carry those programs as they come over the line in order to broadcast color.

If they are to analyze the needs within their area and the program timeliness for their community, they must have that. Only additional facilities funds would permit that. A good many of our stations do not receive this because they are not interconnected. and can't receive the programs at the same time as the interconnected stations.

Most of them are timely and are, therefore, lost to them. The cost of a transmitter, $1 million to $1.5 million, is the same as for commercial broadcasting.

The only way we can have the kind of insulated funding that we can plan on is in size that will permit that in terms of a local station. That kind of funding will also allow us to produce quality programs and serve our community. At the moment if a crisis develops in the area of drugs or in some other area of our community, we must then not respond immediately quite often. but rather go out and see if we can find the funds before we can respond.

With long-range insulated funding of a size that permits us to react to problems in which we can really play an important role for stations in terms of information in our communities. Only sizable funds of that nature would permit that.

In conclusion, I would suggest that in asking for additional funds and in the way that we have requested them we are not suggesting that the communities do not support their stations. In fact, about 3 years ago a survey was done in western Pennsylvania asking if you had dollars to give to only one source, which one would you give them to?

First was the church and second was our station. We do have that kind of support. We receive around 40 cents average per person within our community. So, we have that kind of local support; we need the additional Federal dollars you propose.

In terms of people caring about their station, we have some of the responses to a survey in our area which indicate that the percentage watching has increased greatly year after year.

In conclusion I would suggest that we are saying to you that if you will give us the adequate, insulated long-range stipulated support that we are requesting today, that I am confident that you will see that we can do the job.

Thank you.

(Mr. Kaiser's prepared statement appears at p. 206.)

Mr. **Harley**. To introduce our next panelist, I yield to Congressman Brock Adams.

STATEMENT OF HON. BROCK ADAMS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. **Adams**. I know of your great time limitations here under your 1-hour rule or 5-minute rule.

Mr. **Van Deerlin**. Thank you, Mr. Adams.

Mr. **Adams**. As a member of the full committee it gives me a great deal of pleasure today to introduce Mr. Kenneth Kager, who has the management of the station in Seattle. I have also enjoyed very much your panel presentation. Since I am on the full committee, I will be looking forward to the bill coming before the committee.

I think the presentation today has been excellent and Mr. Kager will contribute to the panel, Mr. Chairman and Mr. Tiernan. I am very hopeful for the future because we think we have an excellent station and it has contributed a great deal to our area.

Thank you for letting me introduce Mr. Kager. I am looking forward to his testimony.

Mr. **Van Deerlin**. Thank you.

STATEMENT OF KENNETH KAGER

Mr. **Kager**. Gentlemen, I do rather get a feeling that you don't want a long dissertation. That is one of the marks of excellence that Congressman Adams spoke about. I have already submitted a statement. The statement will tell you what the Federal funding under the Public Broadcasting Act of 1967 has meant to public radio across this country because, in addition to being the manager of KUOW at the University of Washington in Seattle for this year, I am chairman of the board of directors of the National Educational Radio Division of the NAEB.

(Mr. Kager's prepared statement appears at p. 208.)

Mr. **Kager**. I would like to speak informally and briefly to you for 3 or 4 minutes and delete a good part of what I had originally intended to say and try to speak with some directness in response to a question that you, Mr. Van Deerlin, raised some time ago which had to do with what kind of needs generate the station requirements for Federal funds.

I can speak in this case now for our own station about which I know quite a little bit since I have been there 20 years. I use that as a case history or a "for instance" example. Now we are talking about radio. We have to turn off the boob tube for a bit. The radio still lives. There is public radio in this country. It is very much alive. We are changing subjects here for just a moment.

We were one of the affluent stations in 1967 in the radio community. Nevertheless we had some very severe problems. One of them was that we had obsolete equipment. In 1967 we were operating on a 1941 monaural FM transmitter, cantankerous, temperamental, beautiful when it wished to be, but saying nothing otherwise.

We could not get maintenance for that transmitter. We did not have an item of major equipment that was any newer than 12 years old; 10 years is generally regarded as the outside edge of obsolescence in any type of electronic equipment. We were fortunate we had a four-man full-time staff there, but we were very substantially overworking that staff because we believed very sincerely in a high percentage of local program production and that takes time. More manpower was desperately needed and there was no chance for us to get that particular kind of funding from our institution.

One final very serious need that we had was in upgrading of our national and international programing. All we were getting of that type at that time was by mail, usually on tape or disc and mostly from the National Educational Radio Network. While there was some fine programing on that old tape network, the usual time lag was 3 to 4 weeks. You can see sometimes that could be disastrous when we were using material 3 to 4 weeks old on that medium of immediacy, which is radio.

There was truly a classic example of too little too late. We had a lot of other problems, but these will illustrate the kind of problems, Mr. Van Deerlin, that in one case, in our case in Seattle, one of the relatively affluent radio stations in the country in 1967, led to the needs that have been partially fulfilled through Federal dollars.

Let us take a quick look at some of the things that have been accomplished in the past 4 years under the Public Broadcasting Act of 1967. We, KUOW, did receive an equipment grant under title I of the act, $33,000 matched by $11,000 from our university. We have a $44,000 modernization of our physical plant. We have stereo FM second to none in our area. We also have an SCA capability so we can carry simultaneously other programs.

We confidently expect it to develop to a full 18-hour daily use for instruction in and out of classrooms and for specialized services. I learned just this morning that our State Library for the Blind this morning allocated $10,000 to purchase SCA receivers for a pilot program for us to use for services to the blind in their homes in the State of Washington.

This would not have been possible had it not been for the equipment money in title I of the Public Broadcasting Act.

About station support grants, and you must realize that about 110 stations receive them, I think Mr. Keith asked what some of the stations do with their station support grant money. We had four full-time people, as I mentioned a moment ago. We added one full-time man because of the CPB grant of $7,500 per year which we received.

Now one man is not a very big addition in personnel, but it was 25 percent when we started only with four. It has helped us tremendously. In fact, I can't understand how we could possibly do the job we are doing now without that man whom we renewed again in his second year, also we were able to do some other things.

NATIONAL PUBLIC RADIO

Remember, I spoke a moment ago of the problems of timeliness in programing. We had no way to distribute our programing except by mail. That would be worse today than 4 years ago.

Now we have this CPB-funded daily network, National Public Radio. It has been effective and needed by us all.

Mr. MACDONALD. Sir, at that point could I break the ground rules which have been set, but we have difficulty in understanding how money goes to local stations. I understand in Richmond they have two stations, one does well with money in the bank, the other one is broke.

I don't know about broke, but they are in financial difficulty. As local station personnel interested in this matter how does that work with allocation of funds from the Corporation to you people?

Mr. KAGER. You are talking now about funds to radio stations, is that correct?

Mr. MACDONALD. Yes.

Mr. KAGER. Very much as Mr. Kaiser described a moment ago for television. For those stations that meet the CPB criteria they receive a $7,500 annual grant.

Mr. MACDONALD. Why would they need two stations in one city?

Mr. KAGER. Well, sir, I don't think they, the CPB, exactly create two. The two were already there. They had been there for some time. Evidently two different educational agencies wanted to use radio to perform two different educational or public radio services.

Mr. MACDONALD. Couldn't they sort of put together the two stations?

Mr. KAGER. If there are two stations in Richmond and I am in Seattle, I might say, "Yes," I think they ought to get together. But in Seattle we have two stations also that are already here. I don't think those two ought to get together because we want to do different things at the same time.

Mr. MACDONALD. We had a witness yesterday who entertained us, but did not give us much information. You know, that is funny, but it is not much of a response. Does anybody have any response to that? Especially Mr. Harley.

Mr. HARLEY. Why there are two stations in some cities? You are asking, Mr. Macdonald, why in some situations there are two educational stations?

Mr. MACDONALD. In one area such as Richmond, which I am using as an illustration. If it is true in Richmond, it must be true in other parts of the country.

Mr. HARLEY. I don't know the Richmond situation, but in some cases clearly it would be a matter of historical development in which a station is licensed, for example, to a university and another station might come along and have a broader community service. So that they might have different foci of emphasis in their programing and be complementary to one another.

I don't think it necessarily is a waste in that respect because I think——

Mr. MACDONALD. I didn't say it is a waste. I said it would seem to be an overlap.

Mr. HARLEY. Right.

Mr. **Macdonald.** If the Corporation is given the power by the Congress to help these stations, why wouldn't they get together and say to one station, you know, you come over and work for the other station and you have to be relieved?

Mr. **Harley.** I suspect that sort of thing has been talked about in those situations.

Mr. **Macdonald.** I suspect it is, too, but you have the knowledge.

Mr. **Harley.** I don't know about the Richmond situation. We would be happy to provide an analysis of it.

(See letter dated February 14, 1972, with attachments, from Mr. Harley to Chairman Macdonald, p. 214.)

Mr. **Macdonald.** Does it happen often?

Mr. **Harley.** No, I don't think so. There are two in Pittsburgh, for example.

Mr. **Macdonald.** You have two in Pittsburgh?

Mr. **Kaiser.** We have two TV stations in Pittsburgh, one is VHF and one is UHF. Our VHF station does about what most of the public television stations do. Our UHF tries to meet more specialized interests, although the "V" does as well.

The things that the U's are used for are business and industry training and there is a good deal of that. The instruction program, the problem on the secondary level is the instruction gets very often short suited. For example, on the secondary level to help with the schedule we have a biology program for 10th grade biology.

Mr. **Macdonald.** Is it feasible to have two stations?

Mr. **Kaiser.** Yes. We do not get a second grant for that second station from CPB in Pittsburgh. We support it out of our total $3 million budget. The cost of that second station is very minor. We use the same engineers and the rest.

Mr. **Macdonald.** Does it get any money from the Corporation?

Mr. **Kaiser.** No, it does not.

Mr. **Brown.** Could I ask a question on that?

Mr. **Macdonald.** I will recognize Mr. Rooney, then we will be back.

Mr. **Brown.** I thought every station got assistance from the Corporation for Public Broadcasting.

Mr. **Kaiser.** No, each licensee does. That's for TV stations. Most radio stations do not get CPB grants. We have the same licensee, the same management for both stations. So we get one grant. It is based on the minimum, the maximum, and the in-between as determined by the total income in your total budget. The income for both stations is used as a total. On that is based our maximum grant.

Mr. **Macdonald.** Mr. Rooney.

Mr. **Rooney.** Everybody today talks about being insulated from CPB. I thought you were insulated. I spoke to Mr. Siegel yesterday who is manager of the television station in my district. He said it is a windfall. In all the areas in which he can't put local money, educational funds, and so forth, the money is from CPB. Isn't it insulated now?

Mr. **Harley.** I think we have not said that the need for long-range funding was to provide an insulation of the stations from the Corporation, but rather for the Corporation from the possibility of congressional interference in the sense that the yearly authorization would keep raising problems that might be difficult.

Though we see no objection to coming back for annual scrutiny of appropriations, we would hope that we would not have to have consideration of the authorization and reopening of the whole question of public bradcasting each year. That is a difficult thing to operate under and it provides very little stability for the system.

Mr. ROONEY. I see that under the educational broadcasting facilities program—amounts awarded, and you have it by States, it was $51 million and some odd thousand from 1964 to 1971. How much of that has come since 1967, since we set up the CPB?

Mr. HARLEY. I think it is around $18 million for that HEW facilities grants program.

Mr. ROONEY. How much?

Mr. HARLEY. About $18 million.

Mr. ROONEY. Where did you get the money prior to that? You did a lot better before we set this Board up, didn't you?

Mr. HARLEY. Before the Corporation was established?

Mr. ROONEY. Yes. You are talking about $51 million. In 4 years you got $18 million. Prior to that you got something over $30 million. Where did all that money come from?

Mr. HARLEY. I think there is confusion between moneys for facilities and for the Corporation. The money before the establishment of the Public Broadcasting Act was Federal funds that went into matching grants to States for facilities only.

Mr. ROONEY. Who allocates these funds? I see Nebraska got $1,229,000 and the State of Pennsylvania got $1,800,000.

Mr. HARLEY. Those were allocated on the basis of criteria established by the Congress in the act and in the program report which gave guidance to the U.S. Office of Education, which was acting as administrative officer for the Secretary of HEW.

Mr. KAISER. And still is. The facilities do not come under the Corporation for Public Broadcasting.

Mr. TIERNAN. There is nothing in the act before you that I introduced or the chairman introduced providing for a facilities branch.

Mr. HARLEY. That is right.

Mr. TIERNAN. Most of the testimony is not relevant to the bill before us.

Mr. MACDONALD. I might add the questions, too. Not yours, Mr. Rooney.

Mr. ROONEY. In your closing statement, Mr. Harley, what did you say about how far the CPB should tilt toward the local stations?

Mr. HARLEY. The notion was that the emphasis from now on ought to go more and more toward support for the stations.

Mr. ROONEY. Tilt the till you mean?

Mr. HARLEY. Very good.

Mr. MACDONALD. What did you mean? Mr. Rooney raised a very good point. What did you mean by the word "tilt"?

Mr. HARLEY. I meant just that from now on greater emphasis should go to using Federal funds to support the stations in their local communities.

Mr. MACDONALD. You feel you have not been supported adequately by the Federal Government.

Mr. HARLEY. I think the way it started out it was probably appropriate that in the beginning of the system a great deal more attention had to be given to putting it together and getting it into operation. These were kinds of activities that could not have been done by the stations alone. It had to be done through some sort of central agency.

That is now in place. From now on we think there should be greater emphasis to support of stations in their own communities.

Mr. Chairman, when Mr. Van Deerlin was in the chair——

Mr. **Macdonald**. I understand, and we have a call of the House. I am going to recognize Mr. Brown, who has worked on this subject for a long time and understands it. I would just like to know if the two gentlemen who have not been heard from have a special interest, like radio had not been introduced in the thing before the last witness. Do either of the other two gentlemen have a special interest?

Mr. **Harley**. Mr. Montgomery has a special emphasis on instructional activities that we would hope we might be able to provide you.

Mr. **Macdonald**. And the other gentleman?

Mr. **Harley**. The other gentleman is a manager of a State television network in Maryland and also speaks for the Educational Television Stations Board of NAEB.

Mr. **Macdonald**. Mr. Brown.

Mr. **Brown**. Mr. Chairman, if it is possible, I do not choose to be recognized at this moment. We have been following the 5-minute rule. My time has been proscribed by the quorum call. I wonder if we could ask the gentleman to speak, and I might have an opportunity to ask questions following the quorum call.

Mr. **Macdonald**. Mr. Tiernan.

Mr. **Tiernan**. Mr. Harley, I can't help but think that some of the remarks that Mr. Whitehead made at your convention were well received by you in view of the statement you made before the committee today. Is that correct?

Mr. **Harley**. As I indicated, some of what he said was related to a number of things that many of us had been thinking. There were parts of it that were not without relationship to views that we held. There were many other things that we felt were totally wrong.

Mr. **Tiernan**. Had you, as the president of the association, invited Mr. Whitehead to address the convention?

Mr. **Harley**. Yes.

Mr. **Tiernan**. Did you discuss with Mr. Whitehead——

Mr. **Harley**. No, I had not had anything at all to do with his speech.

Mr. **Tiernan**. You anticipate my questions very well. Thank you, sir.

One of the things I wanted to point out, and I apparently have, you have an awful lot of testimony with regard to increased facilities funding for the local stations. Of course, it is not provided for in this bill at all. You know that we have authorized $15 million in that area. The President has only requested $13 million in his budget.

Mr. **Harley**. Right.

Mr. **Tiernan**. So there is difficulty in authorizing some amount and then having the administration request less. So that instead of getting more funds, the funds we have authorized, the amount will be less. This will be true of HEW. Is that correct?

Mr. **Harley**. That is correct.

Mr. **Tiernan**. You have stressed on page 4 of your statement that you find that the present funding through the Corporation established by the Congress is an appropriate and effective mechanism. Is that correct?

Mr. HARLEY. That is correct.

Mr. TIERNAN. Yet you go on to point out that it is your further belief that local services are, and must remain, paramount in public broadcasting.

Mr. HARLEY. Correct.

Mr. TIERNAN. Is there any contradiction in those two statements?

Mr. HARLEY. I don't believe so. We need the Corporation to provide certain essential national services.

Mr. TIERNAN. You also state, I think it is on page 2, the bottom of the page, that you must have increased Federal support if the educators are going to continue to make significant gains. I assume in addition to being the president of the national association, you must be connected with some licensed——

Mr. HARLEY. No. I am no longer directly related to any single licensee.

Mr. TIERNAN. Then I will address the question to the gentleman from Pittsburgh.

You are the general manager of the station who holds a license for two channels, as I understand it. When do you come up for renewal before the Federal Communications Commission?

Mr. KAISER. This summer.

Mr. TIERNAN. How long have you had that license?

Mr. KAISER. For a 3-year period.

Mr. TIERNAN. How long have you had it from the initial grant?

Mr. KAISER. You mean the beginning? How old is the station?

Mr. TIERNAN. Roughly.

Mr. KAISER. We went on the air in 1954.

Mr. TIERNAN. When you made application for the license, I assume you had to present certain evidence before the Federal Communications Commission as to the financial ability of your organization, your corporate setup, to manage that station in such a way that you met the objectives you set forth in that application; is that correct?

Mr. KAISER. That is correct.

Mr. TIERNAN. At that time, what kind of indication did you give on what you were going to rely on for carrying out the objective?

Mr. KAISER. I have only been with the station a year, so I don't know.

Mr. TIERNAN. When you come up for renewal this summer, you will be the general manager, I assume, who will prepare the license renewal.

Mr. KAISER. That is right.

Mr. TIERNAN. What kind of fund did you include in the application from the Federal Government?

Mr. KAISER. Because we don't have assurance of any, we can't list any.

Mr. TIERNAN. I have read very quickly some of the statements. You have proposed a formula for the distribution of funds to the local stations, a minimum of 30 to 50 percent and you have further suggestions on the formula, but I don't see that in the statement.

You went into some detail in your oral testimony. I don't understand how you can spend so much time on developing these formulae and not present to the committee a suggestion on permanent financing.

You make great stress of the fact we should have permanent financing, yet your group has not seen fit to make a presentation to the chairman of the committee.

Mr. Kaiser. Mr. Chairman, the long range insulated funding is vital to us. If you suggest to us that it is appropriate for us, we would be delighted.

Mr. Tiernan. We have been hearing that now, the chairman has heard it since the beginning, in 1967. I have only been on the committee a short time.

Mr. Kaiser. The president of NAEB says this group has never been asked.

Mr. Macdonald. Well, we will correct that right now. Have you had any thoughts about the matter, if the gentleman will yield.

Mr. Tiernan. Yes, sir.

Mr. Macdonald. You are the only people in town who haven't been asked. I thought you were asked. Nobody has come up with an answer. If you can do it, we will certainly welcome it.

Mr. Harley. We thought that was the proper role of the administration, at least two administrations have promised to do that.

Mr. Macdonald. I understand about the promises, you know.

Mr. Harley. We will accept the challenge. We will certainly work on it.

Mr. Macdonald. Like when? The hearings will be over hopefully within 3 or 4 days.

Mr. Harley. We would welcome the opportunity to make further comments on this legislation. We will give consideration to it.

Mr. Macdonald. Mr. Tiernan is asking for a plan which I think is a good idea. When can you come up with one?

Mr. Harley. That is difficult. We will try to get it in before the record is closed.

Mr. Tiernan. I have no further questions at this time, Mr. Chairman. Thank you.

Mr. Macdonald. What do you mean it is difficult? If you have been thinking about it as it has been suggested, why don't you have a plan?

Mr. Harley. We don't have any difficulty with preparing some thoughts.

Mr. Macdonald. Do you support this bill as a plan or do you have one of your own? If you have one of your own, we will welcome it.

Mr. Harley. Right.

Mr. Macdonald. Give it to us.

Mr. Harley. We will.

Mr. Macdonald. When?

Mr. Harley. Within the next 2 days.

(See letter dated February 14, 1972, with attachments, from Mr. Harley to Chairman Macdonald, p. 214.)

Mr. Macdonald. Mr. Frey.

Mr. Frey. Thank you, Mr. Chairman.

Do you feel there should be any Federal control over your stations' content?

Mr. Harley. Over the programing of the stations?

Mr. Frey. Yes.

Mr. Harley. No.

Mr. **Frey**. Do you see any danger in the fact that more and more of your money will be coming from the Federal Government?

Mr. **Harley**. No, we don't, though we feel this should not ever be the major support of the stations. I think it ought to be kept in some proportion to their sources of non-Federal funds. At present Federal dollars represent perhaps 5 percent of station budgets.

Mr. **Frey**. Would you feel that there would be undue pressure if the Corporation for Public Broadcasting, before you got any grants, commented on the type of individual whom you were hiring to run a particular program, say, a Sander Vanocur?

Mr. **Harley**. We would certainly object to that. Maybe my colleagues who worked with it——

Mr. **Frey**. Let us forget names. Let us say somebody with a decided bias.

Mr. **Harley**. We wouldn't want that either.

Mr. **Frey**. It is interesting. On page 8 of your testimony, you say that the funds you get should not replace local funds nor become a major part of the station support. One thing I haven't heard too much about is the breakdown of Federal versus private funding. On the average, how much of the funds come from the State or States sources, State or county governments? Do you have any idea?

Mr. **Harley**. Dr. Frederick Breitenfeld of the Maryland Public Broadcasting system would like to respond to that.

Mr. **Breitenfeld**. There are four kinds of licensees. Licenses are held by schools which get about 100 percent of their funds from a school budget. Licenses are held by universities, all but three of which are public universities, that get about 100 percent of their budgets from State legislatures, appropriations to public universities.

Stations are also owned by States and State authorities which support through the State legislature virtually 100 percent of their State's networks.

The type of station we talk about most often in hearings such as these and in the popular press are stations that are owned by private corporations; the fourth kind of licensee nonprofit group such as the one that is owned by Pittsburgh.

In many States, such as in New York, where you have seven privately owned stations, the State provides some funds for station support and some funds for statewide networks.

Most States do provide some kind of arrangement whereby regardless of the kind of licensee, State funds are appropriated.

Mr. **Frey**. Have these funds been increasing?

Mr. **Breitenfeld**. Yes, sir.

Mr. **Frey**. What of other source, for instance? What about the foundations? Do you get any money from foundations? I am talking nationwide.

Mr. **Breitenfeld**. Historically, the major foundations that have contributed to public broadcasting are the Ford Foundation and Carnegie Corp. of New York. I think I ought to let Mr. Harley reply, but it is my understanding the Ford Foundation would like to back off now that public broadcasting is becoming the national instrumentality it dreamed of in 1950.

Mr. **Frey**. One of the things that concerns me somewhat is that theoretically in many areas it is a local effort to serve basically local needs. One of the complaints is that not enough of this is being done. It is a community project.

With the projected increase in your budget, you get a dollar budget of up to $153 million roughly by 1976. This is pretty significant. No. 1, I wonder if maybe you aren't looking too much at this level and not trying to scrape up a little bit more at home.

Mr. **Breitenfeld**. I would submit that the stations, since 1952 when the noncommercial license was created by the FCC, the stations have scraped, they have scraped to the point of running auctions, going door to door, trying to get industrial underwriting.

Mr. **Frey**. Is this bad?

Mr. **Breitenfeld**. No, sir; I think this is a vital part of what they do. I would offer that it is very unfortunate in this day and age, some stations in the past years, due to financial starvation, have laid off many people.

Mr. **Frey**. That has happened in a lot of things. You talk to some people in my area about the space program and they can tell you some sad stories. And then when you think you have done everything you can in terms of getting money on the local government level in many cases you turn to the Federal Government. Is this right?

Mr. **Breitenfeld**. I don't think it is a sudden answer, but the answer is, "Yes, sir."

Mr. **Frey**. The foundation issue. I read a quote yesterday where a former member of that Carnegie Commission said, and I will read it to you: "According to Singer the Carnegie Report was a play for localism. The system is not pluralistic. It is dominated by the Corporation for Public Broadcasting and the Ford Foundation. What goes on the air in the system is what these institutions approve." Is there any truth in that?

Mr. **Breitenfeld**. As with many statements of this kind, there is some truth in that.

Mr. **Frey**. Would you expand on that a little bit?

Mr. **Breitenfeld**. Historically, the Ford Foundation has been a major supporter of public television. They were just about the sole supporter of National Educational Television while it was a separate corporation. The Corporation for Public Broadcasting administers just about all the Federal funds short of facilities and therefore they are a major power. They were established by the stations to be a major power in public broadcasting, in response to our needs. The Public Broadcasting Service was established as a network that is centralized. Therefore, it too would have some power, and must have to carry out the activities we have asked it to do.

Mr. **Macdonald**. I am sure you people can come back.

Mr. **Harley**. Yes, surely.

Mr. **Macdonald**. I hope you reconsider your words about power in public broadcasting attributed to the Ford Foundation. I don't think anyone should be a power. I don't know why you say they are. CBS gave you what, a million dollars to start, and I guess they have given you a million dollars a year. Are they a power?

Mr. **Breitenfeld**. I believe if Dr. Stanton came to public broadcasters, we would treat what he said with the utmost respect. CBS's grant, however, was given only once.

Mr. **Macdonald.** I would think that no outside influence is a power in public broadcasting. I hope you reconsider your words.

Mr. Van Deerlin is here to continue the hearing, but Mr. Frey has to vote. We will recess for 15 minutes and we will be back in session.

(A brief recess was taken.)

Mr. **Macdonald.** The hearing will be in order.

At the recess, Mr. Frey was questioning. Mr. Frey is recognized.

Mr. **Frey.** Mr. Chairman, I think you were asking a question when it ended, about the power, if I am not mistaken. I yield to you to finish that.

Mr. **Macdonald.** I am not sure I had an answer frankly.

Mr. **Breitenfeld.** You asked me to reconsider my word "power." My answer is that I would reconsider it. If I were to consider it again, I would not have used the word. I meant it in a much less derogatory or pejorative connotation than that in which you took it and I apologize.

Mr. **Macdonald.** I think Mr. Frey would agree. I don't think that is an answer either. Is there any power in the structure that influences the stations or the Corporation?

Mr. **Breitenfeld.** Yes, sir. The ultimate power in public broadcasting lies with about 137 licensees. Each one of them legally is responsible for everything that goes out over his air. Powerful in each community are the major funders of that station so that there is some power in public broadcasting manifested by boards of education.

Mr. **Macdonald.** You are not being responsive. I am talking about outside influence, outside power, so-called.

Mr. **Breitenfeld.** On the national level?

Mr. **Macdonald.** On the local level, national level.

Mr. **Breitenfeld.** Influence outside of the station?

Mr. **Macdonald.** You are a station manager?

Mr. **Breitenfeld.** Yes, sir.

Mr. **Macdonald.** Are you influenced, in any way, by other than the board that I guess you report to? Where is your station?

Mr. **Breitenfeld.** In Maryland.

Mr. **Macdonald.** Have you ever had any influence exerted on you by anybody in the Federal Government?

Mr. **Breitenfeld.** No, sir.

Mr. **Macdonald.** This is why I asked you the question to define what you meant by power. As the record will reflect, I don't think you gave a really responsive answer.

Mr. **Breitenfeld.** The agencies which historically distributed either the major national services or the major national funding to public broadcasting necessarily have to control a certain amount of what I called power. Historically it has been wielded with great benevolence and with great sincerity in support of activities which we have proposed and initiated.

Mr. **Macdonald.** Most dictators have done the same thing.

I wish you would clarify yourself. I don't think you really mean what you are saying. What is benevolent about the Federal Government giving you money? You are set up as an independent agency to do what the local situation needs. What do you care whether any agency is benevolent to you or not?

I am asking you directly, has anybody in any Federal position ever used power, as you used the word, or influence on you?

Mr. **Breitenfeld.** No, sir.

Mr. **Macdonald.** As to programing?

Mr. **Breitenfeld.** No, sir.

Mr. **Macdonald.** Do you think that the present situation whereby you are funded through the Corporation is a good idea or bad idea?

Mr. **Breitenfeld.** The idea is a good one.

Mr. **Macdonald.** I should not have used the word "idea." Obviously it is a good idea. Is the practicality of it good? Does it work?

Mr. **Breitenfeld.** Yes, sir.

Mr. **Macdonald.** Mr. Frey, do you want to continue?

Mr. **Frey.** Yes, sir; thank you. I have three other short questions and I will finish.

I was wondering about advertising and how much money you spend for advertising. For instance, here is an ad yesterday out of the New York Times. It is a fairly big spread on the different programs. It is apparently for WNET, channel 13, How much of your budget, for instance, in your station do you spend on advertising?

Mr. **Breitenfeld.** In the Maryland Center for Public Broadcasting, which is one of the larger installations, we do have a budget for newspaper advertising. It comes to about $10,000 a year.

Mr. **Frey.** What percentage is that of your annual budget?

Mr. **Breitenfeld.** We have a $4.3 million budget in Maryland.

Mr. **Frey.** This industry got started in 1967. I think we have heard time and time again that it is a baby or youth or it is just starting to feel its way along. One of the concepts that we have to decide is, (a) assuming this is true, (b) shouldn't we therefore exercise our oversight function every year to see how the money is being spent, to see which new directions, if any, you are going in and to see what problems you might have.

For instance, rather than a $10 million increase this year or next year, maybe it should be a $50 million or $60 million increase. What is your comment on that?

Mr. **Breitenfeld.** I do not feel that there are many stations around the country that would object to a review by an agency of this kind or any agency for that matter.

Mr. **Frey.** My question is a little more specific. One of the things we are talking about here is a 5-year program at least, authorizing a 5-year program, in essence locking the money in for that period of time. We have heard that in this way you are going to be able to plan and program and so on. Of course, this is true about anything that we finance on an annual basis, you have to go by guess and by golly.

Do you believe we should do it by 5 years or year by year?

Mr. **Breitenfeld.** Ultimately, I would hope we could get to some earmarked funds, whatever their source, but an annual financial review given a 5-year authorization is not something to which the stations would object. What they would appreciate is the 5-year funding proposed.

Mr. **Macdonald.** Will you please answer his question. He asked you a direct question. Why don't you just say "yes" or "no" from the local stations point of view, is this a good plan or not a good plan?

Mr. **Breitenfeld.** An annual review is a perfectly acceptable plan.

Mr. Macdonald. We have annual review. We are talking about a 5-year funding.

Mr. Breitenfeld. Five-year funding is excellent. The stations would like that.

Mr. Macdonald. Thank you. Mr. Frey.

Mr. Frey. One last thing. I will point out just for the record.

In the Commerce Committee report out of the Senate it was said, "Intended to be seed money, long-range financing plan to be submitted by the administration."

This was in 1967. So this problem has been around for a while. I hope we do get it resolved, but it is one we will have with us for a while.

Thank you, Mr. Chairman.

Mr. Macdonald. Mr. Tiernan.

Mr. Tiernan. When you responded to Mr. Frey's question about advertising budget, I think your answer was $10 million in advertising or $10,000?

Mr. Breitenfeld. $10,000 and I was reporting for one station with which I am particularly familiar.

Mr. Tiernan. Your budget is $4.3 million?

Mr. Breitenfeld. Yes, sir.

Mr. Tiernan. How does that compare with the commercial stations' advertising?

Mr. Breitenfeld. There are really two answers. In the first place, they are comparable to commercial broadcasting stations in the city of Baltimore, which is the only one I can talk about.

Second, the Maryland Center for Public Broadcasting operates over more than one transmitter and performs services that go way beyond those of a commercial station.

So, the short answer is that it is a comparable budget. The longer answer is that we are getting more for our dollar.

Are you talking about the advertising budget?

Mr. Tiernan. Yes.

Mr. Breitenfeld. The advertising budget for a commercial station goes well beyond any noncommercial station.

Mr. Tiernan. What percentage of your budget did you say was in advertising, for newspaper advertising?

Mr. Breitenfeld. $10,000 divided by $4.3 million.

Mr. Tiernan. Do you have that percentage?

Mr. Breitenfeld. No, sir. If somebody at the table here can whip it up while I worry about the next question—it is about one-fourth of 1 percent.

Mr. Tiernan. Never mind.

Mr. Macdonald. Mr. Brown.

Mr. Brown. Thank you, Mr. Chairman.

In the testimony we have heard today, and I am a little confused on who is here—can I get your names. I know Mr. Harley and I know Mr. Kager.

Mr. Harley. This is Mr. Montgomery, whom we wanted to speak on instructional facilities. And we have Mr. Kaiser and Dr. Breitenfeld.

Mr. Brown. In the testimony we have had so far from you gentlemen, there has been an emphasis on more local financing and more local emphasis on the part of programing, and I assume from that—if I am in error, please correct me—that this means more local expression of interest in the activities of CPB. The terms was used—"tilt" toward the national aspect.

I think Mr. Kaiser, in his comments, said that as there was more Federal assistance available, there should be a reducing percentage to CPB and an increasing percentage in the support of the local stations. Now, does that do jeopardy to any of the testimony we have had so far?

Mr. Harley. No.

Mr. Brown. Mr. Harley indicated that questions had been raised months and months before Mr. Whitehead's speech with regard to the local emphasis interest of the National Association of Educational Broadcasters with reference to programing. Am I correct in that? Is that a fair statement of what you said?

Mr. Harley. Yes.

Mr. Brown. The comment has been made that there is no control over the local stations in terms of their operation on the part of any agency of the Government, but I would like to ask if, in fact, there is not within the law which set up the Corporation for Public Broadcasting, a total control over whether or not funds are allocated to the local station for operation or for programing?

As I understand the law that we passed in 1967, it reads as follows:

> Included in the activities of the Corporation authorized for accomplishment of the purpose set forth in subsection (a) of this section, among others not specifically named, to make payment to existing and new commercial broadcasting stations, to aid in financing local educational television programing cost of such station, particularly innovative approaches thereto and other costs of stations; to encourage the creation of new noncommercial educational broadcast stations in order to enhance such service on a local, State, regional, or national basis.

That is the authority on which the Corporation for Public Broadcasting makes grants to local stations. There is nothing in there that ties down the fact that they must make grants to local stations or specifically the amount of those grants. Is that correct?

Mr. Harley. That is correct?

Mr. Brown. In effect the financial assistance that local stations get from the Federal Government is entirely controlled by the Corporation for Public Broadcasting.

Mr. Breitenfeld. Except for facilities that come from HEW.

Mr. Brown. Has there been any difficulty with reference to local stations requesting facility grants from HEW?

Mr. Breitenfeld. Yes, sir; in the sense that the difficulty is that we have $32 million worth of applications in HEW and an argument on the Hill as to whether it will be $11 million, $13 million, or $15 million in appropriations. So that we are continually getting in line again with our colleagues at HEW trying to rearrange our priorities because they are going to have to spread little money.

Mr. Brown. The problem is not with reference to where that money is put, but with reference to the source of the funds and whether or not the money is in fact available, the authorization as opposed to the appropriation procedure; is that correct?

Mr. Breitenfeld. Yes, sir. The amount of money available.

Mr. Tiernan. Will you yield?

Mr. Brown. I will yield. I have been two and a half hours waiting for an opportunity to question.

Mr. Tiernan. The authorization on that particular item is $15 million and the budget only calls for $13 million. This is where the difficulty has been in getting the budget to have the money put in with regard to the authorization.

As you recall, the budget 2 years ago only had $4 million in it and the Appropriations Committee put $2 million more into the facilities program in HEW.

Mr. Brown. And the Appropriations Committee and the Congress has always operated late on such matters, as I recall, because HEW appropriations have usually been tied up in some kind of controversy between the Congress and the White House in recent years.

Mr. Macdonald. Will you yield for 5 seconds?

Mr. Brown. Yes, sir.

Mr. Macdonald. I sort of criticized your use of the word "power." What do you mean by "colleagues at HEW"? It sounds all right today, but read the record. You said that your colleagues at the HEW and you work together.

Mr. Breitenfeld. Again, sir, I have fallen in a semantic trap for which I apologize. Most of the managers in filling out very complex forms for the extensive application requirements for facilities money are in constant touch with the good civil servants in the facilities program office, who must correct applications constantly. After a while you learn their names. After a while they call you again with a smile saying, "Well, you made the same mistake again," which to me strikes up an acquaintanceship. That is the sense in which I meant "colleagues." I did not mean to imply any special relationship or influence between myself and anyone at HEW.

Mr. Macdonald. I yield back.

Mr. Brown. I am trying to pursue a line which would establish that there is not financial control, but financial assistance which can be given or withheld by the Corporation for Public Broadcasting to local stations.

In addition to this, there is financial assistance available for programing which comes directly from the Corporation for Public Broadcasting; is that correct? The Corporation for Public Broadcasting has authority to distribute grants and to purchase programing from local stations.

Mr. Breitenfeld. Yes.

Mr. Brown. The Corporation for Public Broadcasting also controls the funds on which PBS operates; is that correct?

Mr. Harley. That is correct.

Mr. Brown. In effect, the Corporation for Public Broadcasting owns PBS.

Mr. Harley. I wouldn't say they own it. But its only source of funds comes from the Corporation.

Mr. Brown. Own is my term. I will take that back and suggest that they are the only financial source for PBS.

Mr. Harley. Yes.

Mr. Brown. Now, in your testimony, you have asked for more local financing and more local emphasis or control by the Corporation for Public Broadcasting. Short of achieving some degree of direct financial assistance or some control over the Board and operation of the Corporation for Public Broadcasting, how would you suggest that that be accomplished?

Mr. Harley. I think Mr. Kaiser suggested this in his testimony also, indicating that more and more funds should go to the stations.

Mr. Brown. On what authority?

Mr. Harley. Well, through the Public Broadcasting Act.

Mr. Brown. The Corporation for Public Broadcasting which is to pass on those funds, is that correct?

Mr. Harley. That is correct. That is why we would hope that there would be a stipulation within any legislation that is passed.

Mr. Brown. Which would tie down the requirement that there are funds passed through to the local stations.

Mr. Harley. That is correct.

Mr. Brown. That you could use as you see fit.

Mr. Harley. That is correct.

Mr. Brown. Now, if that is a matter of right, does it make any difference whether it comes from the Corporation for Public Broadcasting or HEW or anybody else?

Mr. Harley. We think it should come through the Corporation.

Mr. Brown. Why?

Mr. Harley. It was established by this Congress—initiated by this committee and passed by the Congress. It was a plan that was developed with a great deal of thought by the Carnegie Commission and it seems to us an appropriate means of insulating the stations directly from the administration and the Congress and providing an appropriate administrative mechanism for handling the funds that pass through to the stations.

Mr. Brown. Let us pursue the insulation question for a minute, if we may.

If the Corporation for Public Broadcasting produces programs with which you do not agree, what authority do you have for getting them to do something that you would like to have done?

Mr. Harley. We have no precise authority.

Mr. Brown. You have no authority at all? Precise authority? Do you have any authority at all?

Mr. Harley. Yes.

Mr. Brown. What is that authority?

Mr. Harley. We refuse to run the program.

Mr. Brown. Individually?

Mr. Harley. Right.

Mr. Kaiser. There are two points where we have control. One is not to run the program. The other is on the PBS board, where the majority of the Board is the managers that direct the PBS.

Mr. Brown. PBS does what?

Mr. Kaiser. Determines the schedule of those programs to be distributed to the stations.

Mr. Brown. The programing origination, the programing development is whose authority, PBS's?

Mr. Kaiser. No. The funding of programs comes from the funder.

Mr. Brown. From whom does the funding of programing come?

Mr. Kaiser. If the program is produced by a station, the funding is wherever they got it. If the program is national, funding for it comes from CPB or it could come from a foundation.

Mr. **Brown**. But it does not come from PBS?

Mr. **Kaiser**. No.

Mr. **Brown**. CPB can originate programs?

Mr. **Kaiser**. You mean it can develop programs?

Mr. **Brown**. Develop programs.

Mr. **Kaiser**. Yes; but PBS does not need to carry them.

Mr. **Brown**. PBS does not have to carry them?

Mr. **Kaiser**. Right.

Mr. **Brown**. And which the local stations do not have to carry. In that event what happens to CPB programs that are not carried in terms of their contribution to the public weal?

Mr. **Kaiser**. I would assume if the programs funded were not programs that PBS through the manager-controlled board would not carry on the schedule and the stations would not get them. CPB would be forced to listen to the stations the next time it funds the program.

Mr. **Brown**. Your right is one of refusal. It is not one of initiation under the law?

Mr. **Kaiser**. That's right.

Mr. **Macdonald**. Would you yield on that point because I think it is terribly important? I think the gentleman has done a great job of questioning. You do have the right to initiate any kind of program you want to, don't you?

Mr. **Kaiser**. We have two ways to do that.

Mr. **Macdonald**. I am asking you that direct question.

Mr. **Kaiser**. Yes.

Mr. **Macdonald**. On the one hand, you can refuse to take what is known, whether it is or not a network program. On the other hand, you can originate any kind of program you want to. Isn't that true?

Mr. **Kaiser**. At the local station?

Mr. **Macdonald**. Yes.

Mr. **Kaiser**. Yes.

Mr. **Brown**. If you have the money?

Mr. **Kaiser**. Yes.

Mr. **Brown**. And if you are getting national resources, it makes a difference who gives you that money; does it not? It makes a difference who gives you that money?

Mr. **Kaiser**. Yes; in the sense that we might seek a grant to produce one kind of program from one source, another kind from another source.

Mr. **Brown**. If CPB develops the network programing which is free and it is available and withholds the money to the local station, your choice is to develop your local programing with local money or take what is on the PBS network free, which CPB in turn owns. There is a possibility under the law as it is now written that CPB can develop whatever program it likes, shoot it out over the network——

Mr. **Kaiser**. You must get the approval of the Board made up of managers before you can distribute it on the network.

Mr. **Brown**. If the network says "No; we don't want it," then the choice is to carry local programing developed with only local resources in case those Federal resources are withheld. So, what I am trying to build here is not an indictment of what CPB has done, but what CPB under the law could do.

Now the directors of CPB, can anyone tell me how they are named?

Mr. **Kaiser**. They are selected by the President.

Mr. **Brown.** With the advice and consent of the Senate?

Mr. **Harley.** Yes.

Mr. **Brown.** For a term of 6 years?

Mr. **Harley.** Correct.

Mr. **Brown.** Every 2 years, five at a time. So one President in his term will be able to control the Board of CPB; is that correct?

Mr. **Macdonald.** Gentlemen, I am not trying to be a professional chairman, but nods don't get recorded. If you would say "yes" or "no," it would be appreciated.

Mr. **Harley.** I am not sure how those terms would work out.

Mr. **Brown.** Assuming you are elected in 1 year, within a 4-year term you would have 2-year periods in which you can appoint, and the President of the United States, with the advice and consent of the Senate, can appoint 10 members of the CPB Board out of 15?

Mr. **Harley.** Of course, there can be no more than eight from any one political party. They don't always fall into political categories.

Mr. **Brown.** Or philosophic categories. May I ask if the stations have uniformly been consulted with reference to the development of CPB program policies?

Mr. **Harley.** There is a good deal of mechanism which has been constructed and more of it is evolving in which the Corporation is attempting to ascertain from the stations their program priorities. This is also true of PBS, which has a station management-oriented board. We have at least four annual TV or radio meetings in which there is an opportunity for the stations to express their priorities in reference to the general program categories.

Mr. **Brown.** Mr. Chairman, I would like to ask that we suspend for a few minutes. I would like to get the answer to that question again when we come back.

Mr. **Macdonald.** I think the gentleman can answer right now. We will come back and the gentleman will be recognized as soon as we come back.

Will you give a direct answer? I think the gentleman from Ohio is raising a very important point. Sometimes from here anyway it does not sound like you are giving direct answers. Could you directly answer that question before we adjourn?

Mr. **Harley.** Yes, I think the Corporation does make an attempt to find out from the stations their general views on what should constitute the programing they want. That has to be done with reference to general priorities in program categories. When you say, has it always been done in every instance, I would say that probably is not true.

But in general they are making a sincere attempt to do that and we think there can be other mechanisms that can be intensified in this degree. We think, for example, the move that has been in evidence recently of having station managers sit in on their board meetings has been very helpful as a way of indicating to the Corporation board the views of stations.

Mr. **Brown.** How recent?

Mr. **Harley.** It has been in the past 2 months.

Mr. **Brown.** We will come back.

Mr. **Tiernan.** Could you tell me, since the Corporation for Public Broadcasting has been in existence, have the grants from the Corporation to the local stations increased or decreased?

Mr. HARLEY. The total dollars have gone up. I don't remember where it started. The percentage of CPB's total funds given to station grants has slightly decreased.

Mr. TIERNAN. The amount of money that they are able to distribute to the local stations is limited to the amount that they received from the Congress and in addition, the amounts that they receive from foundations or from the private sector, contributions to that Corporation which are matched through the matching portion of the financing of the Corporation, is that true?

Mr. HARLEY. Yes. I think the present distribution represents about 16 percent of their total budget.

Mr. KAISER. I don't think anyone at this table has suggested that the 17 percent out of the meager funds they have, after providing the basic services to us, is wrong or the 30 percent that is contemplated with $45 million is not exactly what we feel it should be.

Mr. TIERNAN. The testimony of the other gentleman with regard to the need for radio facilities is not included in the legislation before this committee at the present time. Isn't that correct?

Mr. KAISER. Yes, sir; that is correct.

Mr. TIERNAN. Any failing in that area would not be the responsibility of the Corporation for Public Broadcasting, but rather HEW?

Mr. KAISER. Yes.

Mr. TIERNAN. Isn't that correct?

Mr. KAISER. That is correct. I had some other testimony which would have related more directly to the Corporation.

Mr. TIERNAN. I know that, but with regard to that portion of the testimony that you started off with in relation to the difficulties of these radio stations that had been operating for, say, 20 or 30 years, you have reached a point where the facilities are not capable of performing as well as they should, and those funds would not be under this legislation, but under another provision, another law providing for funds through HEW?

Mr. KAISER. Yes.

Mr. TIERNAN. Which normally has been included in legislation for funding or authorization for the Corporation for Public Broadcasting this year, seemingly it was not included?

Mr. KAISER. Yes. Expanded funding for HEW's facilities program is not in the bills before us today, although we suggest it should be.

Mr. TIERNAN. Is the response to that question "yes"?

Mr. KAISER. Yes.

Mr. TIERNAN. Thank you.

Mr. MACDONALD. We will recess until 5 o'clock. We will be back.

(Whereupon, a recess was taken.)

Mr. MACDONALD. The hearing will resume.

Sir, as I understand it, you were asked a question as we left. You take it from where we left.

Mr. BROWN. I will repeat the question.

The question was: In view of what we had lined up here in terms of the legal limitations or the language of the law with reference to the authority, whether it is permissive, mandatory, and so forth, of CPB vis-a-vis the local stations, what are the existing controls of the local stations over CPB's programing decisions and budgetary decisions?

Mr. Harley. I began to indicate that there are some mechanisms of consultation with the stations which include the fact that the PBS board is station-oriented in the number representation on it so that the stations have an input on the decisions made by PBS, and that the Corporation itself attempts to ascertain on a regular basis the priorities in programing that the stations wish.

In addition there have been opportunities for station managers and chairmen of governing boards to sit in on the meetings of the Corporation and express their views.

Mr. Brown. You indicated that those started last month.

Mr. Harley. I have been corrected in that. I think at least the chairman of the PBS board met with the Corporation board about a year ago or so. Both the radio and television representatives met with the board a year ago.

Mr. Brown. The CPB board?

Mr. Harley. Yes.

Mr. Brown. How long has the CPB board been in operation?

Mr. Harley. About 4 years.

Mr. Brown. The other day when members of the Corporation for Public Broadcasting Board and Mr. Macy, its executive officer, were testifying, there was presented a budget presentation for the next 5 years. Did anybody in terms of NAEB or station representatives participate in terms of that budget projection?

Mr. Harley. I forgot to say that at the time that the 1973 budget was being contemplated there was a meeting with what we call the Public Television Managers Council—the station managers from the ETS board and the PBS board—who met together and talked over with the Corporation its proposed 1973 budget.

Mr. Brown. In that budget in 1973 it calls for the allocation to local stations for operational support, not the programming grants, but operational support, $20 million. In 1972, $30 million; 1973, $36 million; 1974, $44.5 million; and in 1977, $45 million. Is that an adequate amount for support of the stations?

Mr. Harley. No, we don't believe it is.

Mr. Brown. In Mr. Macdonald's bill, that calls for 30 percent minimum distribution, there is in the first year, as I read the bill and understand it, 30 percent of $65 million for 1973, which amounts to about $20 million. In 1974 that percentage would amount to $27 million; in 1975, $36 million; in 1976, $42 million and in 1977, $48 million. Is that an adequate amount for the local stations?

Mr. Harley. No, we don't believe so.

Mr. Brown. For your information I would like to indicate in my bill the proposal calls for direct grants from HEW as a matter of right, as I indicated, in 1973, $35 million; in 1974, $40 million; in 1975, $50 million; in 1976, $60 million; and in 1977, $65 million. Do you feel that that is an adequate amount?

Mr. Harley. I suspect we would feel it is not quite enough but it is a good start. It is an improvement. We think in general—and we have not put this in the record, but it will be part of the plan we do bring in in the next 2 days—that station grants start at the 30-percent level and will be increased in percentage.

Mr. Brown. Thirty percent as a figure of the Corporation budget really depends on what the Corporation budget is. That is why I get down to the specific dollar figures, because 30 percent of nothing is nothing, 30 percent of $100 million is $30 million. It depends on what we are talking about as a base.

I find it a little confusing as to why you are wedded so precisely to 30 percent. Can you explain that to me?

Mr. HARLEY. I think it just evolved over a good deal of discussion of where would be an appropriate starting point? It was somewhat arbitrary.

Mr. BROWN. There has to be a basic 100-percent assumption in there as to what it is a 30 percent of in order to cover the dollar needs. That is what I am getting at.

Mr. HARLEY. We base that on starting at 30 percent of $45 million. Then we would anticipate that the amounts going to the Corporation would be increased over this 5-year period and we also want to increase the percentage as the amount of money that goes into the total system increases. There will gradually be a phasing-across in which the percentage of money going to the stations will come closer and closer to that going to the corporation, eventually equal it and perhaps pass it.

Mr. BROWN. That is precisely the point that I would like to emphasize, if I may. In my bill I call for $20 million to go to the Corporation for Public Broadcasting the first year and for that to increase in order to provide the service for development of programing, but not to be redistributed in terms of operational grants necessarily, although CPB could still do that if it wished. But there would be an assured flat amount going into the individual stations.

Now the chairman's bill also provides for an assured amount going through CPB in the case of my bill coming from HEW as a matter of right, but in both of these the thrust is to get the fund back to the local station again as a matter of legal right and not as a matter of largesse or generosity from the Corporation for Public Broadcasting.

Is that a principle you support over the present system or would you prefer the present system where it comes as a matter of gratuitous gift from the Corporation for Public Broadcasting as long as they wish to do it with the precedence that has been established for it?

Mr. HARLEY. I think the stations would say that they would prefer a stipulation that provides a guarantee or greater assurance.

Mr. BROWN. In other words, they would like to have it tied down?

Mr. HARLEY. Yes.

Mr. MACDONALD. At this point I will remind the gentleman from Ohio—he is on a very good tangent—we have witnesses from all over the country who are here. Could you make yourself available when and if the hearings are resumed? I think the gentleman from Ohio has opened up many avenues that should be further explored. But in fairness to other witnesses who have been here and who have come a long way to be here, we ought to hear them before we adjourn.

Mr. BROWN. Mr. Chairman, I could not agree with you more because one of the witnesses we have not heard is particularly interested in instructional television, which is a particular area of interest of mine. I have only just a couple of questions.

Mr. MACDONALD. I have one question and only one.

Is the panel going to be available? I have never heard from the gentleman here who has been looking expectantly. Have you submitted your statement for the record?

STATEMENT OF JOHN A. MONTGOMERY

Mr. **Montgomery.** Yes, sir; I have a written statement submitted into the record. (See p. 212.)

Mr. **Macdonald.** Do you have anything you could contribute to the hearing in 2 minutes?

Mr. **Montgomery.** I should like very much to try.

Mr. **Brown.** As far as I am concerned, he can proceed if I can resume with a couple of questions afterward.

Mr. **Macdonald.** Go ahead.

Mr. **Montgomery.** I have set the document aside. I shall try to highlight a few points which I think will get at the crux of my testimony and I will be available to answer any questions. I appeared before this committee about two and a half years ago. At that time I commended the Federal Government for an appropriation which in 1947, as late as that, brought electricity to my farm home in south-central Iowa.

Seven years before that they closed the one-room county school attended by my father and me. It was only last week, after 32 years, that the children in that school system actually had access to the electronic media similar to the electric media which had transformed the quality of domestic life in my farm home.

I am here today representing the State of Iowa and other interested instructional broadcasting systems.

Mr. **Macdonald.** We understand Iowa, we understand your interest. What is it you really want to talk about?

Mr. **Montgomery.** I have no conflict with the Corporation for Public Broadcasting and our local emphasis on the development of an educational television system in Iowa. We do compete with other stations in the area for attention in the minds of people. One of the hardest audiences in our State to reach is the uneducated adult.

In the State of Iowa, which has boasted a high level of literacy, we have, for example, 820,000 adults over 25 who have not received a high school certificate. We have been working with the Corporation on an adult learning program service, which we highly value and feel that it is worthy of Federal funding if it is going to go. This is a very difficult task to undertake, but it certainly is worthy of the attention, worthy of all the attention that was received by Sesame Street, for example.

We have also been pooling our meager financial resources and a sizable amount of academic input with the National Instructional Television Center to build on a consortium basis programing of an instructional nature that would meet the needs of elementary and secondary school children in our State. These resources are still very small.

We need Federal matching moneys for instructional purposes. Educational television stations have not had access to the kinds of funds for media use that were made available through the U.S. Office of Education because we did not qualify as State departments of education generally or as local educational agencies which met the criteria by which applictaions could be forthcoming.

We do need Federal dollars for this kind of instructional television use. We know that the States and the State educational television agencies and the departments of education are ready and willing to put some moneys in, but with the spiraling cost of education locally generally based on a property tax, we have reached a level where we cannot dip further into those kinds of local tax resources.

Mr. Macdonald. Do you support the bill or do you not support the bill?

Mr. Montgomery. I support the bill, sir, in the same terms that my fellow NAEB board members have expressed their support today.

Mr. Macdonald. I know Congressman Brown is very interested in instructional development by TV and what you have to say is of great interest not only to him, but to me. Why do you support the bill?

Mr. Montgomery. I support the bill because it allows us to plan in the future with what kind of funding we can expect from the Federal Government to go with funding which in Iowa is raised by a tax appropriation.

Mr. Macdonald. You are talking about leadtime now?

Mr. Montgomery. Yes, sir.

Mr. Macdonald. Would you say that is one of the better features the bill?

Mr. Montgomery. Yes, sir; plus the fact we can expect increasing grants from the corporation for our own local determination.

Mr. Macdonald. Have you had any problems with the corporation as it is presently operating?

Mr. Montgomery. No problems.

Mr. Macdonald. Do you subscribe to the way it is being done, not perfectly, but step by step?

Mr. Montgomery. I subscribe to the present status and believe we can operate in the future.

Mr. Macdonald. Mr. Brown.

Mr. Brown. I would like to pick up your testimony briefly and make a couple of comments and ask questions about it and then if I can, get back to what I was pursuing earlier and complete that. What you are saying is that in order to have good instructional programing, whether that programing goes into the classroom or into the home, you have to have the ability to send out the program, the ability to receive the program, and the program itself?

Mr. Montgomery. Yes.

Mr. Brown. That programing can be developed at the national level by CPB or at the local level by you, but that you need the money apparently from local sources or from some Federal source, whether it comes through CPB or the Office of Education or wherever it comes?

Mr. Montgomery. That is correct.

Mr. Brown. Now you and I have an interest in instructional television for classroom use and other uses and other people do, too, but we have had a great deal of talk in this hearing and we always do when we start talking about what used to be called "educational television" and is now called "public broadcasting," about the network in competition with commercial broadcasts and ratings and so forth.

My question is this and it obviously betrays a bias. If there is to be a role for instructional television, and if the funds come from HEW as a matter of right to the local stations for the projection of the message, and if CPB is developing programing and people who are interested in instructional television have an input into that program development, do you think it would be harmful if HEW were putting in operational funds or would they be inclined from the Office of Education to give a little more attention to this medium as an instructional mechanism in the educational field that could help educate people beyond the traditional ways we have done it in the classroom and with the usual hierarchy of public educators?

Mr. Montgomery. No. 1, it makes no difference to me through which channel the funds come provided they come. My experience has been that it has been easier to get funds with unrestricted complications through the Corporation than it has been through HEW.

Mr. Brown. The reason being what? Is it within the function of HEW or is it within the function, as we explore earlier, of the appropriations process in the Congress?

Mr. Montgomery. I would say some of each.

Mr. Brown. What has been the problem at HEW?

Mr. Montgomery. Simply the complexity of applying and spelling out specifically and justifying the purposes for which you intend to use the money, based on socioeconomic factors of the community and that sort of thing.

Mr. Brown. A somewhat more complex application?

Mr. Montgomery. Yes, sir. And a greater competition for the dollars that are there. No flat formula by which we are guaranteed something.

Mr. Brown. The basic question: Do you think we might benefit HEW-Office of Education's interest in television as a medium for instruction if we involved that organization more fundamentally in education television or public broadcasting?

Mr. Montgomery. I would very much like to see the Office of Education more interested in instructional television programing, as I indicate in detail in my written testimony.

Mr. Brown. Mr. Chairman, I have just a couple other questions back to this original point and I am finished.

Mr. Macdonald. Go ahead.

Mr. Brown. We have talked about local financing, financing of local television stations, and made comparisons between the legislation that is before us in this way.

Now in order to discuss the tilt toward the local stations, and as I understand, Mr. Harley, in your testimony you had four points and the last point was increasing emphasis or maintaining emphasis in instructional television. The question that I would like to ask is, Without official membership on the Corporation board or authorized membership on the boards of the Corporation for Public Broadcasting, is there any required way that public broadcasting must deal with the stations in terms of program planning? You listed, when we talked about this earlier, a lot of voluntary ways in which there is an exchange of views.

But it is a legal question really, within the law is there a requirement that the Corporation for Public Broadcasting consult with the local stations with reference to programing planning?

Mr. Harley. I think there is no requirement in the law. This is a matter of practice which has developed between the Corporation and the stations.

Mr. Brown. Now there has been a couple of questions raised here about the development of the NPACT program. Was NAEB or were the managers broadly consulted in the development of that program concept by CPB?

Mr. Harley. I think there was discussion with stations about the kinds of programs they wanted. Clearly they were interested not in direct news broadcasts nationally distributed, but they were interested in public affairs programing. I would be less than frank if I didn't say that there wasn't as full a consultation with the stations as we would have liked about that construction, although it was generally in accordance with needs expressed by the stations that they want public affairs programing.

Mr. Brown. With reference to instruction, the emphasis on instructional programing, do you feel that NPACT falls within that area?

Mr. Harley. NPACT? No, I think they are not relating themselves to instructional programing at all.

Mr. Brown. Then we have a basic conflict, don't we, in terms of where we go with this medium, whether we are developing a fourth network to compete with existing commercial networks and judging ourselves by ratings or whether you are going into emphasis on instructional programing, public affairs programing, news broadcasts, entertainment features, and so forth. Now this is a balance that somebody has to strike. Am I correct in that?

Mr. Harley. Yes, sir.

Mr. Brown. This is a balance that somebody must strike?

Mr. Harley. Yes, sir.

Mr. Brown. At present the legal authority for making national decisions on programing under the law we passed in 1967 is in the hands of the Corporation for Public Broadcasting without the legal requirement of consultation. A pattern has been set up where there has been legal requirement. In legislation I have proposed I have suggested that 10 members of a 15-member board of the Corporation for Public Broadcasting be designated from the management of individual educational television stations and that those be dispersed with some balance over the size of the station, the geographic location of the market, and the direction that the station takes. Do you find a problem with that kind of tying down of the tilt toward localization?

Mr. Macdonald. The time of the gentleman has expired. I would like to point out, as I said, and I know the gentleman understands just as well as I do that we have been here a long time today and whether the merits or demerits of the bill which has been introduced by the gentleman from Ohio—I haven't seen it myself and I doubt if anyone on the panel has seen the bill. I would like to make inquiry, when was it introduced?

Mr. Brown. Yesterday, and it was in the Record on Monday. I wondered if we could get an answer to my question. It is my last question.

Mr. Macdonald. Is that a promise?

Mr. Brown. Yes, sir.

Mr. Macdonald. Do you have an answer?

Mr. Harley. We need to give greater study to that sort of thing. Back in 1967 when we were asked about the composition of the Corporation board we stated that we thought this would constitute a conflict of interest because of the fact that if there were manager members on the CPB board, there might be a question about being favored in the grants for production to stations they represented.

We thought, therefore, this might not be an appropriate thing to do and indicate then, in 1967, that we didn't think that station managers ought to be on it.

(See letter dated February 14, 1972, with attachments, from Mr. Harley to Chairman Moss, p. 214.)

Mr. MACDONALD. Conclude your testimony. I think you have answered the gentleman's question. Do you feel, which is really the basic thing about the bills that both of us have introduced and other bills that will probably be introduced, do you have any real fundamental quarrel with the Corporation and how they are presently operating as far as the local stations are concerned?

Mr. HARLEY. I think we don't have a fundamental quarrel.

Mr. MACDONALD. Could you say "yes" or "no" once?

Mr. HARLEY. We do not.

Mr. MACDONALD. Is there any area in which there is argument?

Mr. HARLEY. Dr. Breitenfeld would like to respond and I would, too.

Mr. MACDONALD. Go ahead.

Mr. BREITENFELD. I have an idea that this is our last chance and I haven't really responded fully.

Mr. MACDONALD. It is not your last chance. You are going to get called back if Mr. Brown has other questions.

Mr. BREITENFELD. I would like to talk about the stipulation of a formula in your bill. The stipulation I mentioned has nothing to do with distrust or unhappiness.

Mr. MACDONALD. We are not talking about that. Do you have any areas, and if you do, will you name them, what they are and what we can do to solve them?

Mr. BREITENFELD. We would like your bill to include stipulated percentage, increasing year after year.

Mr. MACDONALD. What?

Mr. BREITENFELD. We seek a stipulated percentage and formula based on total Corporation funds that will go in unrestricted grants to stations and increasing with each year's increase in budget.

Mr. MACDONALD. Mr. Brown pointed out it is all percentage of what?

Mr. BREITENFELD. I believe that your bill has dollar totals in it which we favor.

Mr. MACDONALD. It has 30 percent of the total thing. Would that satisfy the local stations?

Mr. BREITENFELD. No, sir.

Mr. MACDONALD. It does not? Then why don't you appear against the bill and let us see why you are against the bill?

Mr. BREITENFELD. Because we favor most all of the other purposes of the bill.

Mr. MACDONALD. What do you want: 40 percent, 50 percent, 100 percent?

Mr. BREITENFELD. As the appropriation goes up in your 5-year plan, the local stations would like to submit that a sliding scale be included by which the 30 percent would increase.

Mr. MACDONALD. It would not be a sliding scale, I am sure.

Mr. BREITENFELD. A stepping scale.

Mr. MACDONALD. Yes.

Mr. Breitenfeld. By which the 30 percent in fiscal 1973 would be increased by the fifth year in such a way that stations would have at least half: and really more, ultimately.

Mr. Macdonald. What do you mean, really more? Just give me a figure. My bill says 30 percent. You say "more." Give me a figure. What?

Mr. Breitenfeld. I would like to see the 30–70 be turned to 70–30 some time beyond the end of 5 years.

Mr. Macdonald. You have been testifying most of the day about how you supported the bill. Now at the last second you say you don't support it.

Mr. Breitenfeld. I haven't testified yet.

Mr. Macdonald. Well, the panel has been.

Mr. Breitenfeld. I believe Mr. Kaiser, when he delivered his statement, did mention the very same thing.

Mr. Macdonald. All right. Give us an answer.

First of all, let us get it established in my own mind. You are for the bill or you are against the bill.

Mr. Breitenfeld. The stations are for the bill. There is a provision in it that we would like to change.

Mr. Macdonald. And that provision is——

Mr. Breitenfeld. That provision is that a stipulated formula be included so that in each year as the Corporation's total Federal amount goes up, so does the percentage that must go to stations in unrestricted grants.

Mr. Tiernan. Will the chairman yield?

Mr. Macdonald. I will yield in a minute. Does that automatically happen? If the bill is reported as I have submitted it to the subcommittee and then to the full committee, if you get more money, 30 percent of each year there is more money made available to you?

Mr. Breitenfeld. More dollars but not more percent.

Mr. Macdonald. Why do you care about percent?

Mr. Breitenfeld. Because it means more dollars.

Mr. Macdonald. You are going to get more dollars if the bill is adopted?

Mr. Breitenfeld. If we got 50 percent of $143 million, it would be a lot more than 30 percent.

Mr. Macdonald. What do you mean? Why do you need it? You represent a Maryland station. Why do you need it?

Mr. Breitenfeld. I need it to help support many of our local activities.

Mr. Macdonald. To do what?

Mr. Breitenfeld. To help support our interconnection regionally.

Mr. Macdonald. Is that a function of the local station?

Mr. Breitenfeld. Yes. I spend $20,000 a year on local and regional interconnection costs.

Mr. Macdonald. We are talking about 30 percent of the money allocated to local stations for what they need. I would doubt very seriously that you need to spend any money to get an interconnection. I would think the Corporation and all the rest would take care of that.

Mr. Breitenfeld. I am spending it now, so do 27 stations in the Northeast. $20,000 for the larger—$10,000 for the smaller—supporting a live interconnection 24 hours a day called the Eastern Education Television Network, which has been in existence for about 10 years.

Mr. **Tiernan**. How much did you receive last year from the Corporation for Public Broadcasting?

Mr. **Breitenfeld**. $30,000.

Mr. **Tiernan**. How much did you receive the year before?

Mr. **Breitenfeld**. That was in the $20's, $27,000, I believe.

Mr. **Tiernan**. Each year since the Corporation has been in existence your funding has increased?

Mr. **Breitenfeld**. Yes, sir.

Mr. **Tiernan**. There has been no requirement that funds be increased to you in the legislation? The Corporation did that with available funds?

Mr. **Breitenfeld**. Yes, sir.

Mr. **Tiernan**. Now your program quality, I assume, is increasing and as a result of the funding I assume you are getting a larger and larger audience each year?

Mr. **Breitenfeld**. Yes, sir.

Mr. **Tiernan**. Have you been getting any additional public support?

Mr. **Breitenfeld**. Yes, sir.

Mr. **Tiernan**. Are you receiving larger contributions from the public support?

Mr. **Breitenfeld**. Yes, sir.

Mr. **Tiernan**. Isn't that what the intent of public broadcasting was, to have the public support it? The Federal Government only came in as a result of the obvious need to help an industry that is competing against commercial broadcasters for audience; is that correct?

Mr. **Breitenfeld**. No, sir.

Mr. **Tiernan**. One of the reasons? You had better go back and read the hearings on the establishment of the Corporation for Public Broadcasting. The National Association of Educational Broadcasters testified before this committee in favor of the Corporation for Public Broadcasting, didn't they? Didn't you favor that formulation?

You didn't make any suggestion at that time that there would be a specific amount allocated out of the moneys to be distributed to local broadcasters?

Mr. **Breitenfeld**. No.

Mr. **Tiernan**. When did you make that determination? Do you have any resolution by your association on record in favor of that?

Mr. **Breitenfeld**. Yes, sir.

Mr. **Tiernan**. When was that passed?

Mr. **Macdonald**. Will you stop nodding and say "yes" or "no"? That is the 15th time I have asked you.

Mr. **Tiernan**. When was that adopted?

Mr. **Kaiser**. I mentioned two things earlier which relate to that. One of them was that the Corporation for Public Broadcasting has been talking with the stations about the percentage and that the 30 percent at the $45 million level is something the stations felt was appropriate. The Corporation agreed. At that time in our discussion with the Corporation——

Mr. **Tiernan**. At that time. Will you please tell us at what time?

Mr. **Kaiser**. I think that probably started about 6 months ago. I would have to check.

Mr. **Tiernan.** When was your convention in Miami?

Mr. **Kaiser.** In October.

Mr. **Tiernan.** How soon before the convention was this discussion?

Mr. **Kaiser.** I think as early as May.

Mr. **Tiernan.** I suggest to you gentlemen that the testimony before this committee in my opinion is that you are all grabbing for as much as you can and you are trying to kill the golden goose. I think you are overlooking a very important fact.

The Corporation for Public Broadcasting is the main vehicle that is going to help you attain your objectives. That is what the chairman has been driving at and I certainly agree with it.

Mr. **Kaiser.** In my earlier testimony I in no way cast any suggestion that when you give more money to the Corporation other than grants to the stations, that it wasn't a real service to the stations. At that point I indicated that initially there were things we do not have, such as interconnection, such as initiating programming, and that the stations only received 12.5 percent of CPB expenditures.

Mr. **Tiernan.** How much is the Corporation for Public Broadcasting going to spend for interconnection in the next 3 years?

Mr. **Kaiser.** I assume it will increase.

Mr. **Tiernan.** To $4 million in 3 years?

Mr. **Kaiser.** Yes.

Mr. **Macdonald.** You just nooded. Say "yes" or "no."

Mr. **Kaiser.** I believe so. I am not sure of the exact figures.

Mr. **Teirnan.** I think you had better all read the statements over again. As far as I am concerned, most of your testimony in your statements and references are to the failure of the Department of HEW to provide funds for facilities. You all give credit to the Corporation for Public Broadcasting for service, but then you turn around and say, no, you want it different.

Mr. **Macdonald.** You would like to clear this up because the testimony is confusing. You come here and support the bill that says one thing and then the gentleman from Maryland has indicated something completely different. I don't know how you can support this bill and then say it should be changed. Do you have an amendment to put on the bill?

Mr. **Breitenfeld.** Yes, sir, the bill is a good bill. The stations agree they would like to submit their feeling that one change be made. We approve of the 5-year plan. We think the total submitted by the chairman of this committee is laudatory and we are most appreciative.

Mr. **Macdonald.** Never mind that. What amendment do you have?

Mr. **Breitenfeld.** We would like to amend the bill in such a way that as the Corporation's total Federal budget increases in the next 5 years, so does the percentage going to noncommercial television and radio stations in unrestricted grants, going from 30 percent in fiscal 1973 to 70 percent the fifth year.

Mr. **Macdonald.** That is what I thought you said. I indicated to you that obviously the amount of money you are going to get if this bill passes, 30 percent goes up every time the capital figure goes up. Now how would you change that?

Mr. **Breitenfeld.** By altering the percentages.

Mr. **Macdonald.** You want 40 percent 2 years from now, 50 percent 3 years from now, 60 percent——

Mr. Breitenfeld. As the Corporation's budget goes to $145 million.

Mr. Macdonald. What do you care about the Corporation's budget? What does it have to with you and your local services that you say you are giving? What does that have to do with anything? You want to be funded directly by the Congress?

Mr. Breitenfeld. No, sir.

Mr. Kaiser. Mr. Chairman?

Mr. Macdonald. Wait a minute. If you don't want to be funded directly by the Congress, why do you keep saying that you want more money from us? Where are you going to get it? Where are the funds coming from?

Mr. Breitenfeld. I believe your bill calls for Federal allocation to the Corporation for Public Broadcasting that increases over the next 5 years.

Mr. Macdonald. Of course it does. Do you agree with that concept or not?

Mr. Breitenfeld. We agree with it.

Mr. Macdonald. How can you say, if you agree with the concept of the bill, that it ought to be increased from year to year?

Mr. Breitenfeld. Only the percentage that goes from the Corporation to the stations should be changed.

Mr. Macdonald. You are not happy with the present situation; they don't treat you fairly, the Corporation?

Mr. Breitenfeld. I believe they do.

Mr. Macdonald. Do you think they will treat you fairly if we give them more money?

Mr. Breitenfeld. I believe it.

Mr. Macdonald. Do you think 30 percent of an increased amount is better than what you are talking about? Truly, I can't figure out what you are saying. You say you support the bill and then you say, "Yes, I support the bill but we want the money to come directly from the Congress."

Mr. Breitenfeld. No, sir.

Mr. Macdonald. Will you explain it?

Mr. Breitenfeld. The Corporation for Public Broadcasting receives Federal appropriations. Those appropriations annually in your bill increase over the next 5 years. That is the only money that we are talking about.

Mr. Macdonald. Yes.

Mr. Breitenfeld. The stations submit that in 1973 your bill calls for a minimum of 30 percent of those funds to go to public broadcasters. We would like that to read in unrestricted grants with that minimum of 30 percent increasing each year, the percentage increasing each year.

Mr. Macdonald. Why do you want the percentage to increase?

Mr. Breitenfeld. Because it seems to the stations that the functioning of the Corporation should remain at about an operating level, once it is established, whereas the expansion of local services demands attention.

Mr. Macdonald. What do you mean "demands attention?" Everything demands attention. You are either for the bill or against the bill. You come up here and say you are for the bill. Then you say, "No, it is not quite fair to the local stations."

I am sure that will be said tomorrow because that has been suggested by a lot of people that the Corporation should have nothing to do with allocating funds. I am just asking you how you can come up and support a bill and then say, "Yes, but there is this and this wrong with it."

Mr. **Breitenfeld.** Because the bill gives solid support to the station, which we do support.

Mr. **Macdonald.** You want direct subsidy from the Federal Government? Is that what you are saying?

Mr. **Breitenfeld.** No, sir.

Mr. **Macdonald.** Are you happy with the arrangement that the funds go through the Corporation to you?

Mr. **Breitenfeld.** Yes, sir.

Mr. **Macdonald.** Then what are you talking about?

Mr. **Breitenfeld.** I am talking about the percentage of funds that go to the Corporation that are stipulated for noncommercial stations in unrestricted grants.

Mr. **Macdonald.** Would you translate that into something that I can understand? What are you talking about? You are for the bill or against the bill.

Mr. **Breitenfeld.** Your bill includes the following provisions which we support.

Mr. **Macdonald.** I understand what my bill has. I am not asking you about that. And I am asking the panel, not just yourself, but you seem to be the spokesman on this point. Are you for or against the bill?

Mr. **Breitenfeld.** We have to be for the bill.

Mr. **Macdonald.** Why do you have to be for the bill?

Mr. **Breitenfeld.** Because the question seems to be all inclusive and our answer isn't. If it is for or against the bill, we must say "for the bill." If you say any other suggestions, yes, sir, we have a suggestion.

Mr. **Macdonald.** Do you have any in writing that we can look at?

Mr. **Breitenfeld.** Yes, sir.

Mr. **Macdonald.** I hope it is clearer than your oral testimony.

Mr. **Breitenfeld.** It is in the record.

Mr. **Macdonald.** What is in the record?

Mr. **Breitenfeld.** Our suggestions.

Mr. **Macdonald.** You put in an amendment to our bill?

Mr. **Harley.** No, we have not introduced an amendment.

Mr. **Macdonald.** Will somebody make up their mind whether you are for or against the bill? Do you have one person speaking for the panel of local stations or not?

Mr. **Harley.** Let me speak for them.

Mr. **Macdonald.** Are you speaking for the local stations?

Mr. **Harley.** Yes, for the association.

Mr. **Macdonald.** Are you for the bill or against the bill?

Mr. **Harley.** We are for the bill but, as I indicated in my opening comments, we find that it is incomplete in some respects and we would like to make some suggestions, and I suggest that in bringing back that long-range plan we put that in writing and submit it to the committee. That will include, in writing, specific suggestions for amending the present Macdonald bill.

Mr. MACDONALD. I will be happy to take a look.

Do you have any clarifying remarks about the remarks of the gentleman who serves on your board? Is he for the bill or against the bill?

Mr. HARLEY. He is for the bill, there is no question about that. He thinks that the detail of the way the money is distributed to stations over the course of 5 years ought to be changed.

Mr. MACDONALD. Then there is a disagreement between the Corporation and the local stations. I have been told by everybody, we have all listened to your testimony. On the one hand you say there is no controversy. Ten minutes ago you brought out the fact there is a controversy. If there is a controversy we ought to hear about it. I don't know who is right or who is wrong, but we ought to hear whether there is a controversy.

Mr. HARLEY. I think there is no fundamental disagreement. Mr. Macy indicated they are moving toward a larger proportion of funds going to the stations. It was in the consultation with the stations with reference to the budget that we developed the 30-percent agreement with the Corporation. So there is no problem about our agreement.

Mr. MACDONALD. You discussd the matter with the gentleman from Maryland.

Mr. HARLEY. Yes, indeed.

Mr. MACDONALD. He does not think 30 percent is correct.

Mr. HARLEY. He does think that 30 percent is correct as a starting point.

Mr. MACDONALD. His statement did not say so. His oral testimony says it should go up every year and I perhaps pursued it a little too emphatically, but his last statement was, as I understood it, that it would go up to 50, maybe 60 percent.

Mr. HARLEY. Yes.

Mr. MACDONALD. You say yes. What are you saying yes to? My bill goes 30 percent, period.

Mr. HARLEY. Right.

Mr. MACDONALD. Do you agree with that or don't you agree with it?

Mr. HARLEY. We agree with that, but the percentage should increase over the years.

Mr. MACDONALD. All right, tell him that 70 percent, or 60 percent, he is not going to get.

Mr. HARLEY. He won't get it under your bill.

Mr. MACDONALD. Yet he said he was for it.

Mr. HARLEY. I think we are in total agreement.

Mr. MACDONALD. You agree to 30 percent; he is talking about up to 70 percent. There is a 40-percent difference.

Mr. BREITENFELD. Five years difference, sir.

Mr. HARLEY. Thirty percent we are agreed upon as the first year, for fiscal 1973. Then we believe that should increase, the percentage ought to increase over that 5-year period. In other words, proportionate Federal funds going to stations increases and the amount going to the Corporation decreases. We are changing the balance.

Mr. MACDONALD. Did you all meet together before you came here to testify?

Mr. HARLEY. Yes, we did.

Mr. MACDONALD. You agreed on a plan?

Mr. HARLEY. Yes.

Mr. Macdonald. How can you support 30 percent and he is talking about 70 percent? I will let Mr. Tiernan unravel that.

Mr. Tiernan. Let me ask you this: In the law the Corporation for Public Broadcasting is not required to distribute any specific amount to the local stations. Isn't that correct?

Mr. Harley. That is correct.

Mr. Tiernan. Last year they distributed about 12 percent of their total amount of money they had. Is that correct?

Mr. Harley. To the television stations. It was 17 percent if you include radio.

Mr. Tiernan. Let us stay with the 12 percent, the television stations. That comes out to $4.2 million; is that right? Now what are you suggesting to this committee and to the chairman is that 30 percent of $65 million is not going to be sufficient. That figures out to be $19.5 million, an increase of a considerable amount of money for the local stations. Isn't that correct?

Mr. Harley. Yes.

Mr. Tiernan. You are shaking your head. Will you say yes or no.

Mr. Breitenfeld. That is sufficient. For the total you mentioned that is sufficient.

Mr. Tiernan. As we set up this entity the Corporation for Public Broadcasting, don't you think we should delegate to them some kind of responsibility, since they are a board of directors appointed by the President of the United States? They have served constantly, most of them. They have a very outstanding president. Don't you think they should have some flexibility and should not be bound to a percentage? Are you afraid they will not give any station a fair shake on the allocation of money to be distributed?

Mr. Breitenfeld. No, sir, but I believe a businesslike understanding with enough leadtime would be appropriate.

Mr. Tiernan. That is fine, but you don't know whether your audience participation is going to contribute at all to the support of your station in Maryland; do you? You can't count on that.

Mr. Breitenfeld. All I can do is estimate; you are right.

Mr. Tiernan. The point I make is that I think all of you people here today and testifying before us have failed to gain sight of the big picture here. You are thinking of your own selfish interests. You apparently met with the president and you got him to agree that in the future they would shoot for a 30-percent distribution but that is not enough for you. You want us to put it in law that it will be 30 the first year, some percentage the next year on up to 70 in 5 years.

Isn't that correct? Isn't that what you propose, that we amend this bill to insert a specific formula in the bill? Is that not what you testified to?

Mr. Kaiser. Yes. If the bill has a percentage in it, which it does.

Mr. Tiernan. A minimum of 30 percent.

Mr. Kaiser. We are suggesting that the percentage be spelled out.

Mr. Tiernan. So you are not satisfied with our leaving the Corporation, the board of directors and Mr. Macy, with the discretionary power to distribute that money where he thinks there is need for it in addition to the 30 percent?

Mr. Kaiser. We have asked that it be stipulated. The reason we gave you was contrary to some of the reasons you are attributing to us now. There were two things I said when I suggested this earlier and you heard from Mr. Siegel yesterday. The reasons are, one, we believe that the major initial goal——

Mr. TIERNAN. I have heard your testimony about that. I want to ask you this one question: Do you mean to tell me that you can present to this Congress, if we were to oversee this program, an increase from $2.4 million to $19.5 million in 2 years, and you can justify the expenditure of that money in programing and in operating cost?

Mr. KAISER. Mr. Tiernan, you are forgetting the amount of money my station now receives is 1.6 percent. The Dallas man, Mr. Ralph Rogers, testified yesterday. That his station receives just 2 days' worth of Federal funds of his 365 days of annual operation.

Mr. TIERNAN. I am talking about the Federal portion.

Mr. KAISER. The portion we in Pittsburgh would receive from the State is like 9 or 10 percent initially. I have no fear of increases to this extent, that is, not in any way the proportion that Carnegie suggested or we are suggesting to you as a proportion of the Federal dollars for the local station.

Mr. MACDONALD. Do you ever think that maybe you won't have any money?

Mr. KAISER. Yes, that's always a possibility.

Mr. MACDONALD. Did it ever cross your mind that we have done the best we can here to come up with a bill that will satisfy many people to get it through? Do you understand where this money comes from for a Federal program? Does it come from the White House, do you think?

Mr. KAISER. No.

Mr. MACDONALD. Where do you think the money comes from?

Mr. KAISER. It comes from the people of the country.

Mr. MACDONALD. It comes from the Appropriations Committee. We can only authorize it in this committee. It comes from the Appropriations Committee. Of course, it comes eventually from the people who pay, I suppose, your salary, and I know, my salary. What I am saying is if this bill has friends like you to come up here and testify we don't need any enemies about this bill. For you to suggest that what we have been doing is not enough for you indicates that you are in competition with commercial people. You are not supposed to be. You are in the business of serving the public interest.

The subcommittee, the Congress as a whole, gave you, public broadcasting—at least if not you, yourself, the birth of life—we gave it to you. There are a lot of people who aren't crazy about it. You come up here and say that you need 70 percent of all the money and then don't defend why you need it. I never heard one word why you need 70 percent.

Mr. KAISER. You were out of the room when I testified and explained it.

Mr. MACDONALD. I am not out of the room now.

Mr. KAISER. The reason that I indicated earlier, first, money that goes to the Corporation is not money in our view which goes to somebody else. They use that money to provide services for us representing community public broadcasting. So when we suggested money is given to the Corporation, it is not taken away from us, it is taken by the Corporation and given to us. Likewise the direct program production grants. Initially, the goal as we saw it, which the CPB did so ably—and you are quite correct, we are supporting the Corporation—was for those things which had to be started, interconnection which serves the stations, some of the national programing that was suddenly given new impetus by the Corporation. However, once the funds are there to do that, it is our view that those services can continue to be provided to us, and that CPB should increase the proportion of funds for local station support.

Mr. Macdonald. I have been here 18 years and I get tired of listening to stuff when I ask a direct question. Now, I am very interested in this program. I am really concerned about the program. I think it is a good program. We ask you a question and you give us a speech. Why do you need 70 percent of the money allocated to the program? Just give me, in two sentences, why you need it.

Mr. Kaiser. Because there are stations in this country that have deficits and will not survive unless they get the support from all sectors and more from the Federal Government.

Mr. Macdonald. Who is to determine who is in trouble, the Federal Government here to go over the Corporation, or the Corporation which knows all the problems? Hopefully, they know. Which would you prefer, that it come directly from people like ourselves who are all that expert in the field?

Mr. Kaiser. This recommendation is coming from the stations as they see their needs in the community.

Mr. Macdonald. I can't understand how you can come here and testify for a bill which goes to 30 percent and then say, OK, 30 percent, fine, we back it up but we really need 70 percent. You are not going to get 70 percent. Has it ever dawned on you that maybe the whole program will go down the drain? I think I know people who don't want the program, any way.

Mr. Kaiser. You are quite right, Mr. Chairman. We felt it was our responsibility to give you the honest answers regarding our long-range goals.

Mr. Macdonald. You either support the bill or you don't.

Mr. Kaiser. We have not quarreled about the total being enough. We have suggested the two ways of aiding us. As we see our needs, we need to continue the support we are getting from the Corporation; it needs to increase.

Mr. Macdonald. Five different people on the panel said they had no problem with the Corporation. This bill establishes 30 percent to come from the Corporation designated to you. You say there has been no problem. Then you say "but we need 70 percent." Why do you need 70 percent? Do you want to be subsidized completely by the Federal Government?

Mr. Kaiser. No.

Mr. Macdonald. Do you want to be dictated to? Do you want them to tell you what programs you should put on?

Mr. Kaiser. No, Mr. Chairman. I made some suggestion in my testimony.

Mr. Macdonald. You support the bill or you don't.

Mr. Kaiser. It was our opinion that for just the reasons you gave that no Federal grant should be given to a station that was equal to more than a certain percentage of the budget of that station, a small percentage of the budget, so that Federal dominance could not happen. We quite agree with that.

Mr. Macdonald. Mr. Tiernan.

Mr. Tiernan. Mr. Kaiser, in your statement you don't say anything about any specific increase—Oh, no, you don't. On page 3 you say, "We believe it is imperative that such a CPB financing plan include a provision that a significant portion of the Federal funds dedicated for educational broadcasting be allocated by statute directly to the broadcasting licenses themselves."

You don't say anything about 30, 40, 50, 60 percent. That statement would have to be a recommendation by the chairman's legislation. My legislation does not even give you 30 percent as a minimum. I left it to the discretion of the Corporation for Public Broadcasting. I think their track record is a lot better than the track record of the collective local broadcasters.

If you tell us there are stations now in jeopardy, don't you think that the Corporation board is not going to take that into consideration in allocating funds to that station, and haven't they done that?

Mr. Kaiser. The grant to the station now is based upon the minimum the maximum, and based upon the local support that station generates.

Mr. Tiernan. What measure would you suggest to the committee that they use?

Mr. Kaiser. I think the formula is a good one if the funds are much greater.

Mr. Tiernan. Stop right there. I will get you step by step. That formula guide is a guide but is not a fund.

Mr. Kaiser. Yes.

Mr. Tiernan. This is what the chairman has been trying to tell you. Anybody who has been on the Hill legislating for funds for the Corporation of Public Broadcasting knows that we will have a tough job getting authorization for the amount of money we are trying to increase. The testimony was that the Congress report just certain levels of funding. We have not met those. We authorize $15 million for the facilities and the President comes in with a budget for $13 million. You don't think we are going to get that kind of support on the House floor? What you have done has been devastating as far as I am concerned. You come on the one hand and support the chairman's bill, and then you say you want something else. What you ask is absolutely asinine. It is unobtainable.

Mr. Brown. Mr. Chairman, would the gentleman yield?

Mr. Macdonald. I yield.

Mr. Brown. I would like to make one point in a question if I can. I gather that your concern that the amount of money which local stations would receive as a matter of right be increased as the amount of Federal funds available increase, is affirmation of the belief that the same thing should happen in public broadcasting as happens in effect in commercial broadcasting, and that is that we ought to try to maintain the balance of localism or local origination in the individual local station. Is that correct?

Mr. Kaiser. Yes.

Mr. Brown. Is there any difference with that opinion?

Mr. Kaiser. No, sir.

Mr. Brown. So that the local station, if it is getting more money through the amount of money put into CPB is actually getting an ever-increasing percentage of the Federal money that is put into the public broadcasting system because you believe that the local station ought to serve the local community rather than being dominated by a national system. Is that right or not?

Mr. Kaiser. That is correct.

Mr. Macdonald. Sir, I don't want to interrupt for the 15th time. Will you just not nod. Mr. Brown sees you but the record does not.

Mr. Kaiser. The answer is "Yes."

Mr. Brown. Under my concept of the first amendment, there may be differences of opinion on this, but the protection that we all have now, in the licensing of stations so that we don't get dominated by a single voice in commercial broadcasting, is that we have a lot of stations on the air and that those stations still maintain essentially local control. The licensing of the stations, as has been demonstrated in this hearing by several people who testified, becomes a responsibility of the local station to the Government ultimately for what goes on the air. He is responsible. The ultimate licensee is responsible for what goes on the air. I gather what you are saying in your colloquy with the chairman is to underscore that kind of individual local control and localism of public broadcasting, noncommercial broadcasting, just as we have protected the first amendment rights of all of us by giving the ultimate responsibility to the licensee in commercial broadcasting. Is that correct?

Mr. Kaiser. Yes.

Mr. Macdonald. The record will show that the gentleman nodded "Yes."

Mr. Kaiser. I said yes, apparently not loud enough.

Mr. Macdonald. Will the gentleman yield at this point?

Mr. Brown makes a very valid point. I thought your testimony to us has been that you have never felt dominated by the Public Broadcasting Corporation.

Mr. Kaiser. That is correct.

Mr. Macdonald. The two answers are not really the same unless you can explain them and if the gentleman doesn't mind——

Mr. Brown. May I try to get the explanation in a response to a question? Regardless of where the money comes from, regardless of how it comes, if it all comes from the Federal Government and it is focused through one single source in a discretionary way by that source it could present a problem. Is that what you are saying?

Mr. Kaiser. Yes.

Mr. Brown. You would like that increasing percentage of funding directly to the local station as a matter of right in order to maintain the individual independence of every local station in the system, so that if you don't like what is on the network or you don't like the programing being presented nationally you can do what you damn well please. Is that essentially correct?

Mr. Kaiser. Yes.

Mr. Brown. Thank you.

Mr. Macdonald. I thank the gentleman from Ohio for raising it.

Isn't that a fact now that the network, so called, and it is not much of a network in my judgment, can make available to you any program that they want to make available, and you in your wisdom at the local station can say, "I don't think that is good for my local area?"

Mr. Kaiser. That is correct.

Mr. Macdonald. Where is the pressure from the Federal Government about having local control? Your local control is you say what goes on, rightly or wrongly.

Mr. Kaiser. Yes; but if we have the funds to produce the programs that meet local needs to put in the spot of the project we reject—if we have the funds then we can produce the program to meet a local need to take the place of the program we rejected.

Mr. Macdonald. Where is your station?

Mr. Kaiser. In Pittsburgh.

Mr. Macdonald. What do you think is a great local attraction that hasn't been viewed by the networks? Give me a concrete example.

Mr. Kaiser. We are just completing a survey of our viewers on that. Initially the answer——

Mr. Macdonald. We don't have time to go through a survey of your viewers. I am asking you. You are the management. Name me one program of local origination that should be shown in Pittsburgh, that shouldn't be shown in Schenectady?

Mr. Kaiser. A specific area which we feel strongly about locally that we can meet are local hearings.

Mr. Macdonald. Local hearings.

Mr. Kaiser. Local hearings on the transit situation in Pittsburgh, if you want a specific area.

Mr. Macdonald. What else?

Mr. Kaiser. There are areas in Pittsburgh, poverty areas, which require programs to meet their needs, which they feel designed especially to relate to. One, on-the-job opportunities within the Pittsburgh area need to be produced. That would be another area. Many of the services in general in the Pittsburgh area in terms of the handicapped and others should be programed, relating them to their local community.

Mr. Macdonald. Is that what you are feeding to the people in Pittsburgh?

Mr. Kaiser. We are not now doing nearly enough.

Mr. Macdonald. Your listening audience must not be very high if that is what you are giving them.

Mr. Kaiser. The results show that we have steadily increased in viewers.

Mr. Macdonald. Job opportunities is a big draw in Pittsburgh?

Mr. Kaiser. Well, on public television, as you know, our programs aren't just for the highest rating. We have programs that I hope appeal to a great many people but there are also programs to meet special needs that only we can do.

Mr. Macdonald. That is what I am asking you. What are they?

Mr. Kaiser. Those are some of the ones I have suggested.

Mr. Macdonald. You say job opportunities.

Mr. Kaiser. I mentioned that as one we would like to do.

Mr. Macdonald. Is that a leader in your station?

Mr. Kaiser. So we have been told in our survey of needs.

Mr. Macdonald. What time of day do you put that on?

Mr. Kaiser. We don't. We don't have the funds for the program.

Mr. Macdonald. What is your leading local program?

Mr. Kaiser. The local program that seems to receive most support is a regular nightly program which we present to the public, which is a news program.

Mr. Macdonald. What time of day?

Mr. Kaiser. We have a live program from 7 to 7:30 p.m. Another presentation of the program the same evening from 10 to 10:30 p.m.

Mr. Macdonald. That is exclusively local news?

Mr. Kaiser. Yes, in-depth interviews and the like, that viewers aren't getting in the other 11-minute news programs.

Mr. Macdonald. Interviewers aren't news. I know if somebody interviews me at home nobody pays any attention. What kind of news? Because I am sure that this is something that the committee will get into tomorrow. Do you think it is a good idea to have not just local news but national news?

Mr. Kaiser. As we do our program it is strictly a local program and meets our needs in our community. In our community the program that we do moves into depth on collective local issues. We know there is a need for that. National public affairs: there is a real need for it. News, the stations have not said that they do need that nationally.

Mr. Macdonald. Do you air national news?

Mr. Kaiser. No. We have national public affairs programs that we get from PBS which we carry, and there is a need for that.

Mr. Macdonald. You don't air just national news in competition with the commercial stations?

Mr. Kaiser. No.

Mr. Macdonald. I thank you gentlemen for testifying. I don't know still whether you are for or against the bill. I wish you would make up your mind, frankly.

Mr. Kaiser. There are several features in this bill that we have never had in a bill before. The long-range financing for 5 years, the amount of money that is involved in the totality of the bill, a number of other things that we so desperately need that we have not had before in the bill, we support fully. When we say we support the bill, when we see the 30 percent we have a suggestion for a change there.

Mr. Macdonald. I am not going to go through that again. You said you supported the 30 percent and then the gentleman from Maryland testified for 20 minutes about wanting a higher percentage. That is not support of the bill which only goes to 30 percent.

Mr. Kaiser. We believe that 30 percent, and we have said this and the Corporation has agreed, is an appropriate amount, let us say at the $45 million level of funding. As the amount increases and if we have a choice about the services that the Corporation provides to us, they don't use the money except to serve us, the money that we get directly in a station grant, it is our feeling that we need to increase, but we need to increase much more greatly because of the station needs. Initially the services we got from them were critical, the interconnection, so they had to have a larger resource of money.

Mr. Macdonald. Do you support the bill presently or not?

Mr. Kaiser. We support the bill with the suggestions we have made. We support the bill but we would like the changes to meet our local need.

Mr. Macdonald. How can you justify 70 percent?

Mr. Kaiser. I can justify more dollars in looking at the income that my station receives. I would like to have a diversified income, so much from the State. We get 10 percent of our budget from the State. Nationally I hope for something near that, not just the 1.6 percent we now receive. I justify it on the basis of the local citizens in our community giving us the rest.

Mr. Macdonald. I am in favor, obviously, of my own bill and I am interested in the entire program, but when you tell me that the main local interest is want ads and all like that, local news, what do you do to deserve that amount of Federal funds?

I am disturbed by you, as the station, saying you need this and that. I thought you got along with the Corporation. If you don't get along tell us why.

Mr. Kaiser. That would be untrue to say we don't get along with the Corporation. We said we do.

Mr. Montgomery. May I make a try?

Mr. Macdonald. Yes.

Mr. Montgomery. The provisions of your bill supply funds, supply an adequate amount of funds to the Corporation for Public Broadcasting over a period of 5 years. Those funds will go for one direct grant of cash to stations, to programing service to stations. What the managers are trying to say is that their needs for cash with which to deal with local issues is escalating faster than their needs for national programing services.

Mr. Tiernan. Then you are not willing to allow the board of directors and the president of the Corporation for Public Broadcasting to make a judgment as to how much money should go in that area? You want it specifically spelled out by statute?

Mr. Montgomery. That is what we are saying. I have not the basis on which to discuss fully here the means by which the Corporation will receive and dispense these funds.

Mr. Tiernan. Then we have a difference of opinion between this end of the table and that end of the table.

Mr. Montgomery. They are speaking as a representative board of the television station managers. When I speak in that term I am speaking as an individual manager.

Mr. Tiernan. You said you do disagree with that other end of the table. You are willing to leave it to the discretion of the board of the Corporation for Public Broadcasting as to when that shift is made for local escalation increase or decrease, is that correct?

Mr. Montgomery. I am saying I have no firsthand experience.

Mr. Tiernan. You are trying to explain the problem to us?

Mr. Montgomery. Yes, sir.

Mr. Macdonald. If the gentleman will yield.

I think you have made a good observation. Obviously, the costs are going up every place. If you have done a good enough job, and I am talking about not just your station but if the public broadcasting system is doing the job it was set up to do, which was to supply an added source of programing available to the public, if they are doing a good enough job at that, why wouldn't you get enough local support to take the burden away from the Federal Government. As members of this committee know. I have been listening to a long-range financing thing which has nothing to do with the Federal Government. If we get you off the ground—you are off the ground—in your opinion are you serving your community in such a way that they will support you?

Mr. Montgomery. I believe so, sir.

Mr. Macdonald. Why don't they then?

Mr. Montgomery. They do, sir. I am under no illusion that even 70 percent of this total appropriation is ever going to support the Iowa Educational Broadcasting Network. The larger percentage of support is going to come from the people of Iowa through appropriation of the State legislature. We are providing Governors' press conferences, Iowa presentations, public affairs, and cultural affairs programings of a local nature, which I believe the people will support. But the kinds of funding we are talking about from the Corporation and direct community grants allow us to probe into issues at greater depth and with more effective journalism than we are otherwise going to be able to do because the pressures are also very heavy on State government and other sources of local station revenue. We believe that this system ought to be at the very heart of the decisionmaking process so that all sides of every issue could be aired and an informed citizenry can respond on the basis of clear presentation in depth.

Mr. Tiernan. Do you think that the directive that we have spelled out for the Corporation for Public Broadcasting which says that—

> It furthers the general welfare to encourage noncommercial education radio and television broadcast programs which will be responsive to the interest of people both in particular localities and across the United States, and which will constitute an expression of diversity and excellence * * * that will most effectively make noncommercial television available to all the citizens of the United States, and that a private corporation should be created to facilitate the development of education and radio-television broadcast and to afford maximum protection to such broadcasting from extraneous interference and control.

Do you think if someone carried that out it would be necessary to spell out the formula in the allocation of funds to the local broadcaster?

Mr. Montgomery. If someone carried it out it would not be necessary, sir.

Mr. Tiernan. Thank you very much.

Mr. Macdonald. Thank you, gentlemen.

Mr. Harley. Mr. Chairman——

Mr. Macdonald. I just ask you this and I know the answer will be in the affirmative. Will you be available if other members who aren't able to stay here have further questions of you? I don't mean each and every member, but a spokesman for your group.

Mr. Harley. Yes, sir.

Mr. Macdonald. If you have something to add, fine.

Mr. Harley. I will only add that it is clear that there have been some misunderstandings and ambiguities in our presentation. As far as the promise of the long-range proposal, I will indicate that we will attempt to clarify our position so that there is absolutely no misunderstanding, it will be as clear as crystal.

Mr. Macdonald. You mean misunderstanding.

Mr. Harley. Misunderstanding, yes.

Mr. Macdonald. You said what has happened all day. This is no clear understanding. I agree with that. I wish you would come up with a position. I wish you would present us with an amendment that will help the bill. I think you will find that most members have an open mind about this situation but not everybody is a friend of the bill. So when a friend of the bill comes up and undermines it, you know, you are in tough shape.

We appreciate your testimony. We will welcome you back if it is necessary.

Mr. HARLEY. Thank you, Mr. Chairman.

(The testimony resumes on p. 223.)

(The prepared statements of Mr. Harley, Mr. Kaiser, Mr. Kager, and Mr. Montgomery follow:)

STATEMENT OF WILLIAM G. HARLEY, PRESIDENT, NATIONAL ASSOCIATION OF EDUCATIONAL BROADCASTERS

I am William G. Harley, president of the National Association of Educational Broadcasters, the professional association of institutions and individuals engaged in radio and television for education. Its membership consists of universities, colleges, schools and nonprofit community corporations that are the licensees of 216 educational television stations, 190 educational radio stations, 100 closed circuit and instructional fixed service systems, and nearly 4,000 individuals who are involved in various phases of educational communications.

We appear here to support the objectives of HR–11807 and HR–7443 as well as those of the proposal from the Administration for continuing support of the Corporation for Public Broadcasting.

We are pleased, Mr. Chairman, that your subcommittee has provided this early opportunity to hold hearings on this important matter.

In 1967, in an appearance before this committee, NAEB gave detailed testimony in support of the Public Broadcasting Act, with provision for federal support for educational broadcasting facilities and the Corporation for Public Broadcasting.

We hereby restate our belief that the provisions of the Public Broadcasting Act represent a unified program for the extension of an effective, independent, financially sound educational broadcasting system for this nation. We feel that a broad program of federal support for the future development of radio and television as instruments of social and educational advancement is vitally important to this country and that failure to enact enabling legislation at this time would cause irreparable harm, both to the future of educational broadcasting and to the public interest, which the strengthening of this system can so uniquely serve.

Since 1960, federal financial support has proved to be a vital catalyst in the development of educational broadcasting. This assistance has helped to extend educational broadcasting's reach to a majority of our citizens, to prove the effectiveness of the service in terms of instructional and public programming, to upgrade station facilities and to strengthen education's use of broadcasting. It has been an additive resource that in many cases has meant the difference between a local station's marginal existence and an effective community enterprise.

However, if educational broadcasters are to sustain the significant gains they have made in a relatively short time, they must have increased federal support. This means increased support for educational radio and television stations, for capitalization and improvement of station facilities, for expanded support of the Corporation for Public Broadcasting, and for assistance in raising the effectiveness of educational broadcasting's instructional activities. Therefore, NAEB asks this Committee to consider ways of implementing these four basic recommendations.

THE CORPORATION FOR PUBLIC BROADCASTING

Funds for the Corporation for Public Broadcasting should be substantially increased and be provided for more than a single year.

We endorse the continuation of the Corporation as a means of providing direct operational support to stations as well as other essential national program and related services. If the Corporation is to fulfill its responsibilities properly, it must be funded on a multiple-year basis and must be insulated from undue governmental interference.

Hence, we favor the establishment of a federal Public Broadcasting Fund from which the stations and the Corporation would draw support. Such a fund would grow in proportion to the increase of nonfederal dollars in educational broadcasting. The Fund's fiscal dimension would be equal to one-half of the nonfederal dollars in the total educational broadcasting enterprise plus a $35 million base amount. From the fund, we urge that $75 million be appropriated for fiscal year 1973 for disbursement by the Corporation, with increased amounts annually thereafter.

The Corporation is now in full operation with lower funding than originally intended, but its potential value is being daily demonstrated and it must be provided adequate funds over a period of time to enable it to function effectively while plans are being developed for its genuine permanent financing.

Because prior witnesses have addressed themselves in some detail to the necessity of adequate support for the Corporation, NAEB will testify to its concurrence with the need for vastly increased and extended funding for the Corporation and reaffirm its belief that the Corporation, as established by the Congress, is an appropriate and effective mechanism for the gathering of public and private funds and their disbursement for the production and distribution of radio and television programming.

DIRECT OPERATIONAL SUPPORT FOR STATIONS

Important as the Corporation is it must be seen in the perspective of a mechanism for serving the stations and through them the American people. The NAEB takes this opportunity to reassert its belief that local services are and must remain paramount in public broadcasting; therefore, there must be continuing strengthening of local educational radio and television services directed at increasing the capabilities of local stations. Accordingly, NAEB recommends:

Federal legislation should make provision for increased direct operational support of educational television and radio station activities.

At present, television stations receive federal funds for operations based on a formula directly related to their budgets. Similar community service funds for educational radio stations are based on special operating criteria. We favor continuation of the formula principle for awarding grants.

These funds go to the stations through the Corporation for Public Broadcasting, established by the Public Broadcasting Act of 1967. The Corporation currently allocates about 12 percent of its budget to these community service grants. We support the position that the Corporation be required to earmark a minimum of 30 percent of its total annual income for direct disbursement to educational television and radio stations. The percentage should increase year by year.

When we ask this Committee to approve increased operational support for stations it is entirely appropriate to ask what kinds of community services educational broadcasters provide. The record illustrates not only what stations are doing but what can be done even more effectively with proper support.

As an attachment to these remarks, we have provided examples of what radio and television stations now do for their communities. A few examples here will give you a notion of the range of these services:

To reach out to people, radio station WOSU regularly broadcasts the "Ombudsman," through which men and women in central Ohio voice complaints or ask questions about their own neigborhoods, television station KBYU in Provo, Utah, gives its viewers a regular opportunity to talk directly with the city's mayor and council, and KETS-TV in Conway, Arkansas, explores in a special series the music, art and literature of Arkansas Blacks.

To improve social conditions, radio station WMKY reaches elderly people in the hill country of northeastern Kentucky with new ideas and new learning skills, the Kentucky Educational Television network enrolls more than 1,000 adults in its television high school, and KTXT-TV in Lubbock, Texas, offers 17 hours of programs on "People and Problems."

To permit more direct and accurate participation in the democratic process radio stations in Hawaii, Georgia, Florida, Connecticut and Tennessee broadcast state legislative sessions and committee hearings, and WUCM-TV televises negotiations between the Saginaw, Michigan, Board of Education and the Saginaw Teachers Education Association.

To provide special services, KUAT–AM at the University of Arizona offers 60 documentary dramas on "Kids In Trouble," television station WTCI in Chattanooga regularly offers a series that promotes understanding among different groups, television station WCNY in Syracuse, New York, conducts a comprehensive drug education project in two counties, and radio station WFCR in Amherst, Mass., helps immigrants unable to speak English in their everyday lives through a regular broadcast, "Que Tal, Amigos?"

To help students, the Wisconsin School of the Air regularly offers radio programs to more than 300,000 elementary school children, television station KCET in Los Angeles offers a detailed study of Mexican history, and radio station KSLH in St. Louis presents an effective vocabulary development curriculum.

These kinds of examples illustrate how educational radio and television stations provide a means through which the resources of a community can be brought to bear on conditions which so urgently need attention—and in such a way as to yield effective returns on the investment of effort and funds.

However, all of the station managers testify to the fact that what is being done now—admirable and effective though it may be—is a mere beginning on what they might be able to do with sufficient support. Permit me to pass on to you what several educational broadcasters cite as their goals with additional funds.

"We want to do at least two weekly programs from within the community. We want to establish an effective adult education service and improve our school service. To do these things, we need a staff of 115. We now have 27 employees." (Charles Vaughan, WCET, Cincinnati, Ohio).

"We want to increase tremendously our programming for blue collar workers. Hence, we need funds to allow us to deal with very practical, everyday problems. We have to get into our community more and more." (George Strimel, WVIA, Scranton, Pa.).

Our audiences want more local programming. We must find a way to add engineering and production personnel so we can produce more local programming." (Odell Skinner, WCBB, Lewiston, Me.).

"I'm doing one-tenth of the local programming I should be doing. In order to cover the Common Council and county legislative meetings, I need to double my present staff. The current level of CPB funds is just not enough to make a significant difference here." (Richard Thomas, WCNY, Syracuse, N.Y.).

"We must build a staff to enable coverage of state government for New York. Presently we can't do the job the way it has to be done. That's our goal. The reality of our situation is that we are losing people because I've been forced to freeze salaries." (Donald Schein, WMHT, Schenectady, N.Y.).

"We must get more into the community to help solve local problems. We don't want to produce big 'blockbuster' programs; we want to focus on problems that our audiences have." (Richard Jones, WNPE, Watertown, N.Y.).

"We want to cover state government activities, expand service to the black community, present job opportunity programs, and get more deeply involved in other community problems through a series of topical programs that would consider traffic, crime, model cities projects . . ." (Robert Shepherd, WDCN, Nashville, Tenn.).

"Better maintain equipment. Most important, though, get out into the community with our remote equipment five days a week. Add staff necessary to increase community programming." (Helen Davis, WGTE, Toledo, Ohio.).

In short, there's an urgent need for a substantial increase in federal funds going directly to stations so as to strengthen their capacities to contribute even more significantly to the well-being of their communities. These funds should be administered by the licensee and local authorities, but they must always be in the nature of additives and must never replace local funds nor become the major part of the station's support.

We must never forget that developments in educational broadcasting at the *national* level are designed to provide the means by which radio and television can be given more meaning throughout the country at the *local* level. The purpose of government funding and the reason for the Corporation, the Public Broadcasting Service and National Public Radio is to help local station capacities to expand and improve their own community services. The stations do not exist as appendages of the Corporation or the interconnection agencies; the Corporation and the interconnection agencies exist to serve the stations and through them the American people.

Educational broadcasting is not a ***national*** system, but a community-oriented service that is *nationwide*.

This is not to imply that educational broadcasting can do without strong national interconnection, program and promotion services. Indeed, it must have them as well as strong community services if it is to succeed.

However, it is to say that the work of the national organizations will be successful only to the extent that it energizes local capacities and services.

This is the basic and most important concept in the development of educational broadcasting. It is important because it is based on the assumption that the local station is the most reasonable point of control for determining the services which its community needs.

THE NEED FOR FACILITIES LEGISLATION

No less important than the need for improving station community services are the needs for strengthening and modernizing facilities for transmitting programs and for establishing new stations. Although none of the pieces of legislation before us relate directly to facilities, it is the Committee which initiated the original Educational Television facilities Act in 1962, and it is this Committee which initiated the facilities proposal in the Public Broadcasting Act. This is the first opportunity since that time for us to report on the progress of that program. We should like to take a moment to document the impact of that matching grant support for facilities and to indicate the urgent need for its rapid expansion.

In 1962, the Commerce Committee proposed and Congress passed the Educational Television Facilities Act, which provided matching grants to the states for the construction of new educational television stations. The Public Broadcasting Act of 1967, at the instigation of the Committee, extended the ETV Facilities Act of 1962 and approved facilities funds for educational radio as well.

From 1964 through 1971 more than $51 million have been granted and have stimulated six times that amount from nonfederal sources. Because of this key federal assistance, the number of educational television stations in the country has grown from 76 to more than 200. Furthermore, these stations are now able to reach 80 percent of the population, and 75 percent of all elementary and secondary students in the country.

Since 1967 this program has granted $2.5 million to communities to help bring radio stations on the air or to improve existing stations. I have attached a summary of the activities of the federal facilities program from 1964 to 1971 (Attachment B) that shows the range and the success of the program, state by state.

Clearly the use of federal funds has a strong multiplier effect and has enabled states and communities to establish new stations and expand, extend, and strengthen the signal of existing stations.

Nevertheless, the allotment of funds does not begin to match the reality of need. In television there are now 22 applications for the activation of new stations (totaling $8,051,528) and 67 applications for expansion and improvement (totaling $19,193,583). In radio there are 14 applications to activate new stations ($1,169,343) and 29 requests for expansion and improvement ($1,453,933). These 132 applications, totaling $29,786,417, represent the commitment of communities across the country to provide at least $10 million to match these requests. On hand to meet these needs are $9 million remaining of fiscal year 1972 funds. Obviously many worthy projects will not be funded this fiscal year. For fiscal year 1973, the authorization—in its last year for this program—is $15 million, and the Administration has budgeted $13 million. Not only is that now inadequate to meet existing needs, but by the time FY '73 funds become available, we fully expect another $20 million in applications to have arrived at HEW. I have attached a complete list of those applications (Attachment D) as well as a list of requests granted to date in fiscal year 1972 (Attachment C).

What do these requests represent? They represent requests from communities and states to activate stations where none exists, and to modernize the equipment of existing stations so as to increase their service capability. Stations must increase transmitter power an antenna height to strengthen signals to audiences not now being adequately served. They need color, production equipment and mobile units to increase their flexibility in covering their communities.

For instance, only one-quarter of our television stations can originate local programs in color, only one-third can broadcast locally from outside the studio, fully one-quarter have antennas too low for full effectiveness, and one-quarter have power too low to reach all of their audiences properly.

In radio, vast areas are not covered; the rural population is badly underserved and almost half the 100 major markets are without educational radio.

Residents of four states—Alabama, Idaho, Montana and South Carolina—are without full-service educational radio at all, and only *one* such station is in operation in Connecticut, Rhode Island, New Hampshire, Vermont, Maryland, Georgia, Louisiana, Nevada and Wyoming.

Full educational radio service is unavailable as yet in 42 of the top 100 population centers—including such cities as Chicago, Cleveland, Miami, San Antonio and Denver.

Federal funds are necessary for new radio stations to serve areas where none now exist, for existing stations to replace worn-out transmitters and antennas, and to add the new equipment to take advantage of the latest developments in technology.

The amounts required for radio are modest but the yield from such priming can be enormous.

So, despite the success of this program in establishing and improving educational radio and television stations, the program is not meeting the current need. Not only are many stations failing to fulfill their potential for reaching audiences because of low power and inadequate antennas, but, because of the lack of program origination and recording facilities, stations often cannot respond to the full range of programming requirements to serve their communities—requirements of which they are fully aware but which they are unable to meet.

In a study we released a year ago, we noted that a total of 300 educational television stations and 400 educational radio stations would ultimately be needed. That number, incidentally, is a substantial *reduction* in total needs estimates compared to projections of the Carnegie Report and other studies of earlier years; the difference is due to an increase in other capabilities, i.e., cable which has the effect of making our educational television and radio facilities cover expanded territories. Today, we have moved closer toward meeting our goals. We estimate now that the need for new television transmitters has been reduced to 85, the need for new television production centers to 25. There are 215 television stations now on the air. In radio, 175 new stations will complete our projected needs. During this period of continuing growth, of course, substantial dollars will be necessary to upgrade present facilities. Dollar figures to meet these needs are more difficult to project, but we estimate the figure now at least $150 million during the next few years.

Mr. Chairman, it is vital to the development of a public broadcasting service that this facilities program be adequately funded. Television and radio channels set aside for educational use are of small benefit unless strong action is taken to help fill them with stations whose facilities and power are adequate to reach, and properly serve, the American people.

Consequently, we would hope that this Committee might give consideration to adding to the support for the Corporation for Public Broadcasting:

> *an enlargement of the present program under the Public Broadcasting Act for capitalization and improvement of broadcasting facilities related to the demonstrated need for such support. To keep pace with current needs we recommend that $35 million be provided for this purpose in fiscal 1973 and more for future years.*

IMPROVING INSTRUCTIONAL ACTIVITIES

Mr. Chairman, we believe it is also important for this Committee to address itself to a special need of the broadcast licensees in dealing with the instructional services which nearly all of them provide.

In 1970, 37 percent of the time on educational television stations was devoted to instruction specifically directed to children in schools. If you add "Sesame Street," the figure increases to 49 percent of the television programming time being devoted to instruction. Either figure represents a substantial service that is gradually becoming a very fundamental part of many school systems.

We believe that the federal government can take steps, through the expansion of this legislation, to assist in a marked improvement of the stations' capacities to carry out an increased range of instructional services for their communities. *Hence, we recommend that $30 million be made available in fiscal year 1973 in the form of equitably proportionate grants to educational television and radio stations for the express purpose of helping to support the basic staff and material capacities of the stations to provide their own communities a wide range of locally desired, planned, produced, or transmitted instructional services.*

These services would expressly include in-school lesson materials, in-service teacher education, college telecourses, professional and career training, and other formal learning efforts associated with the improved use of communication technology for instruction.

We believe that the record of educational broadcasting stations in providing instructional services is very good and I have included several illustrations that support this conclusion and show what is currently being accomplished in many places (Attachment A). But the value of these services has been limited by many of the problems inherent in school finance itself. Thus, many areas which could most benefit from broadcast instruction cannot afford to support it and the stations cannot afford to make it available.

These funds wuld have an additional benefit which our experience in recent years identifies as crucial. It is simply not enough for a television or radio station to produce or procure attractive and effective lessons and broadcast them. Their use must be planned and many people need to be trained and prepared to use the new resources. The most effective lessons often require teachers and students to carry out activities and roles which are unfamiliar to them, and stations are not prepared with either the staff or the resources to undertake this very necessary part of managing the use of effective materials. The funds we are requesting would help meet that need and they would help, too, to support the costs of designing new materials that deal with new areas of the curriculum or with learning problems in many of the familiar courses of study.

In conclusion, then, the NAEB believes it is necessary that radio and television stations (through the CPB and the Facilities program) receive increased federal funds. We are aware that any program to be funded by the government must be one of great significance and manifest benefit to the entire nation. We believe that the Public Broadcasting Act, combining support for facilities and the Corporation, is such a program because of what it can enable educational broadcasters to do in helping to attack urgent problems of our society.

Educational broadcasting provides a way to help all of the people—the economically deprived, the culturally and physically handicapped as well as the advantaged. And it is an economical means for a national effort to improve the instructional process for the benefit of all Americans.

It is because a well-equipped, widespread, adequately-financed system of educational broadcasting can contribute so significantly to the well-being of our nation that the NAEB urges this Committee to give favorable consideration to ways of implementing our recommendations.

Understandably in an enterprise as new and unprecedented as educational broadcasting there are going to be growing pains and stresses and strains. Though the Carnegie Commission and the Congress, through the Public Broadcasting Act, provided an excellent, well conceived plan, nobody could foresee all that actual operating experience would provide; consequently, it is inevitable that adjustments will need to be made in the light of this experience. In the dynamic, rapidly moving field of communication technology, we must be fully responsive to make needful changes—not changes that do senseless damage to significant commitments or are accommodations to appease the cries of critics, but changes that increase the enterprise's social utility. The educational broadcasting enterprise itself, particularly in its management and operation, is fully capable of making whatever changes in internal structure or procedure are necessary and appropriate. Human aspirations inevitably leap ahead of human institutions' capacity to meet expectations. But the dedicated people of public broadcasting are united in an inspiring purpose and a shared commitment to goals toward whose fulfillment they are confidently moving. We hope you share our faith.

No one believes that we have yet reached the stability, financially or institutionally, that will ultimately develop, but there is confidence that we now have a strong foundation upon which to build and grow and from which, with the assistance of adequate federal support, we can reach even higher levels of significant service to the American people.

Attachment A

WHAT EDUCATIONAL RADIO AND TELEVISION STATIONS ARE ACCOMPLISHING IN TERMS OF COMMUNITY SERVICE

More and more educational broadcasters are on the firing line, working closely with community problems and filling community needs. From a countless number of community projects, from special series designed for minority audiences to increasingly effective efforts to serve education, from programs intended to extend the reach of community services to programs aimed at such special audiences as the elderly, we've chosen these in an effort to acquaint you with what educational broadcasters are doing and hope to do even better.

A precedent-breaking television training program for minorities and women is being initiated at public television station KQEC, Channel 32, San Francisco. Announcing the project, Dick Moore, president of the Bay Area Educational Television Association, said, "Hopefully, graduates of the training program will become the nucleus of the professional staff at all levels, from management to technical services, for the first public television station to be devoted primarily to serving the many minority communities in the Bay area."

An instructional school board radio station began community programming this summer. A cooperative effort of WNYE-FM, Brooklyn, New York, and Bedford-Stuyvesant Youth in Action is providing programming geared specifically to the needs and interests of the Bedford-Stuyvesant community. The programs, "The Sounds of Solid Soul," "Julie Washington" (music, chit-chat, interviews), and "The Jazz Concept" are produced in the Youth in Action studio in Brooklyn, and broadcast from 10 a.m. to 2 p.m., Monday through Friday.

Last year over 1,000 adult Kentuckians enrolled in television high school, shown on the KET network. Of 200 students surveyed, more than 30 percent received their GED certificate following completion of the series.

Doctors in several New England states listen in hospital conference rooms to discussions of new techniques, broadcast by WAMC, Albany Medical College.

WMSB, the Michigan State University television station, is now producing its own weekly program for area Blacks. Produced in cooperation with the university's Center for Urban Affairs, "Perspectives in Black" is designed to provide information of both educational and service-oriented nature. Two station producers, Thomas Hardy and Jason Lovette, organized Black students to design and produce the show.

WCET, Cincinnati's answer to Kenneth Clark is Philip Adams, charming and articulate director of the Cincinnati Art Museum. WCET recently offered a 60-minute special, "Art Palace of the West," a tour of the museum informally guided by Mr. Adams. The *Cincinnati Post* reviewer, Mary Ann Wood, strongly recommended the program, saying that Mr. Adams "has the same gift of making history and people come alive."

A familiar name turned up recently in the byline of "Kitman on TV," the syndicated column by Marvin Kitman. The writer was Edith Ialeggio, director of community relations for WLIW-TV, Garden City, L.I., who was filling in for a day for the vacationing columnist. Edith took the opportunity to talk about the growing pains of the UHF station. She wrote: "The fact that Channel 21 has no studio might be considered another of the 'minor' obstacles, although this didn't prevent the station from producing more than 500 original programs during the last 18 months alone." WLIW was also featured in a New York *Times* story on August 8. The story took basically the same track as Edith's column, noting the station's financial needs and other difficulties, but stressing its strong community service programming.

When the Houston school board recently fired the superintendent of schools, KUHT mounted two "instant" specials on consecutive nights reviewing the school board situation. The programs brought together the "conservative" and "liberal" school board members, who were given time to express their views, and then opened to telephone queries. The station produced the programs as special editions of its series, "Assignment Houston," the funding for which had run out several months ago. They were also the only Houston station (five commercials plus KUHT) to give this "controversial and unusual event" substantial treatment. The result was "six hours . . . some of the most exciting television upon which these myopic orbs have ever focused," said Millie Budd, the Houston *Post* TV editor. Both Millie and her counterpart at the Houston *Chronicle*, Ann Hodges, praised the programming as "the type of community performance that public television is all about."

The Maryland Center for Public Broadcasting and three community colleges within the signal area of Baltimore's PTV station, WMPB, are cooperating in a joint venture similar in intent to that of Britain's "Open University." The "Community College of the Air" offers four courses: College Algebra, General Psychology, Rise of the American Nation and Man Against His Environment. Credit may be earned at Catonsville Community College, Essex Community College and the Community College of Baltimore.

Blacks in central Michigan are learning about community services from "Takin' Care of Business" over WKAR, the Michigan State University station in East Lansing.

Blacks in Durham, North Carolina, are being trained to operate their own radio station, WAFR.

WDCN, Nashville, has a new program, "What's Goin' On," covering events and personalities in Nashville's Black community.

The Maine Public Broadcasting Network has begun a new five-part series designed to present the complexity of environmental issues and demonstrate the system that exists to deal with these issues. Called "North of the Namaskeag," the series involves secondary school students, adult education groups and the home viewing audience in solving a simulated problem—whether a hypothetical town should allow a canning company to locate near their river.

KLRN, Austin-San Antonio, is offering viewers the opportunity to understand the workings of their local governments through "Forum," a new weekly program which explores city and country government. A portion of each program is devoted to telephone calls from the audience.

WFSU–TV, Tallahassee, is on the move with a recent HEW facilities grant that will bring the station up to full power and color capability within the year. The station is also presenting more local productions than ever before, including regular weekly coverage of the City Council; a new public affairs show, "PBX" (Public Broadcast Exchange), which examines major local issues; continued coverage of the Leon County School Board meetings; "Expressway," a showcase for local teen talent and a "hotline" for their questions; and "Reflections on Black," a variety-format program designed for Tallahasee's black audience.

Immigrants unable to speak English are being helped in their everyday struggle to adapt to life in Massachusetts by "Que Tal, Amigos," cooperatively prepared by social agencies and broadcast in Spanish by WFCR Amherst.

The thirty-three stations in the eleven-state region of northeastern United States have added a new dimension in ITV service to their member schools. Coordinated by the Eastern Educational Television Network, the stations will share, through networking, a common schedule of eleven instructional television series ranging across all grade levels and subject areas. The new use of the interconnection for instructional television, more than seven months in planning by member station instructional television directors and curriculum experts, will result in as much as a 40 percent saving in total administrative and dubbing charges to the member stations in fiscal 1972–73. EETN will continue to operate its regional ITV video tape exchange service in addition to the basic interconnected program schedule. Currently the service involves the exchange of approximately 48 series on more than 3,000 video tapes.

The Los Angeles Unified School District used "Sesame Street" as a supplemental tool in its adult education program for teachers and parents this summer. John H. Plimpton, supervisor, In-Service Training Division of Adult Education, said. "We are hoping that the teachers will return to their classrooms . . . and effectively use the educational content of 'Sesame Street' as a supplement to their own teaching concepts."

A grant of $108,000 was given WCNY–TV and WCNY–FM, Syracuse, New York, for a comprehensive drug education project in two counties. The funds, from the State Narcotic Addiction Commission, will permit the production of 15 special television and 50 special radio programs for the audience, which includes students, teachers and the public.

Approximately two-thirds of the adult population of Michigan communities have never completed a high school education. One-third have never gone beyond the eighth grade. Two years ago in Detroit, a first step was taken in response to these facts, at the suggestion of John McCabe, president of Michigan Blue Shield. A group spearheaded by Mr. McCabe and Norman Drachler, superintendent of Detroit schools, laid plans for the presentation of "Operation Second Chance," a series of 60 half-hour televised lessons in five required subject areas (english grammar, general mathematics, social studies, natural sciences and literature), which offers the opportunity to secure a "high school equivalency" certificate following successful completion of the General Education Development (GED) tests. With the cooperation of other interested agencies, the lessons were telecast over WTVS–TV, Detroit's educational channel and WWJ–TV, a local commercial channel, beginning in October, 1969. The series was repeated the following spring, and again in February, 1970.

It is estimated that approximately 30,000 individuals in the Detroit metropolitan area regularly "attended" the course in 1968 and 1969. Of this group, nearly 600 adult dropouts from high school, who participated formally in the televised course, were awarded GED certificates at public ceremonies in Detroit alone. Several hundred others received certificates in suburban GED testing centers.

The Hawaii ETV Network plans to produce a daily 15-minute program on the 1972 Session of the Hawaii Legislature. According to News and Public Affairs Director Charles Stubblefield who will produce the coverage, the network will have its new color remote truck at the State Capitol every day of the 1972 session. The nework will broadcast live the opening of the Legislature and the Governor's State-of-the-State Message.

WBJC, Baltimore, Maryland, purchased 200 hours of programming produced by noncommercial broadcasters in foreign countries, in order to give its audience a better understanding of people overseas.

New teaching methods which stress the individuality of each student are the subject of a Connecticut Public Television documentary entitled "Because He Hears a Different Drummer." The program, produced in cooperation with the Connecticut State Department of Education, focuses on classroom projects throughout the state which are testing new concepts in education.

KCSM, San Mateo, California, does remote broadcasts related to community interests and needs, including coverage of local events of importance, the county fair, music performances by local groups.

More than 300,000 children (over 80 percent of Wisconsin's elementary school pupils) learn from regular broadcasts of the "Wisconsin School of the Air" from WHA in Madison.

Utilizing a closed-circuit two-way hookup, the Kentucky Authority for Educational Television conducted a workshop for more than 300 teachers from 90 school districts.

The purpose of the workshop was to prepare kindergarten and primary grade teachers to successfully utilize the new concept series, "Ripples," which is being broadcast on the state network.

Participants congregated at four studio locations around the state for the intensive three-hour session, which included previewing of sample lessons, classroom demonstrations and two-way discussions.

KET plans to air special in-service programs to more than 600 additional teachers who did not attend the workshop.

WPLN (FM), Nashville, Tennessee, was recognized recently by the State of Tennessee for its achievement in programs on the arts and contribution to the improvement of cultural opportunities in Nashville. WPLN was the only member of the media to receive one of the 15 Arts Commission's awards, presented at the Third Arts Conference in Knoxville.

WILL, Urbana, Illinois, developed and presented a special series of programs on the proposed new constitution for the State of Illinois, thus stimulating citizen interest in state government. The station also has been able, through the help of federal funds, to lengthen its broadcast hours on Sundays.

A U.S. Senate subcommittee on care for the aging held a hearing in St. Paul to investigate complaints of abuses in Minnesota nursing homes. The one-day hearing was broadcast live by the Minnesota Educational Radio Network and distributed nationally by NPR.

Men and women in central Ohio are able to voice complaints or ask questions about their own neighborhoods through the "Ombudsman" on WOSU, the public radio station of the Ohio State University.

At KMUW–FM, Wichita, Kansas, Upward Bound students are producing "Nation Time," a three-hour soul music program, Monday through Friday, for the months of June, July and August. The station is not normally on the air from 9 to 12 noon for those months, and no other commercial radio station in the area carried a "Soul" music format on a regular basis. The purpose of the program is not only to provide programming not otherwise available to listeners, but to give the students exposure to the different phases of radio broadcasting. The project is to culminate with the students taking third class FCC license tests at the end of the semester.

KUAT–AM, the University of Arizona's public radio station, has a new weekly offering, "Alcoholics Anonymous of the Air." The program provides information to the general public about AA in addition to serving as a regular meeting for the group.

Radio station KSLH in St. Louis, Missouri, played a crucial role in the city's vocabulary development project that showed, with the single exception of sixth grade reading scores, children, achieved well above expectations in reading, vocabulary, spelling and IQ development as indicated by test scores.

The St. Louis Vocabulary Development Project is a massive, concerted effort to intervene on the side of the city child. The program has been evolving since 1967. Materials were developed and tested during 1967–68. Results from a large demonstration in 1968–69 encouraged the administration to include all middle grade reading scores, children achieved well above expectations in reading, lessons, three days weekly.

The lessons were presented over the school system's radio station KSLH. Before the radio lesson was presented, the classroom teacher gave the student a pre-test. The radio lesson began, and the radio teacher dictated the test words and dictionary pronunciation as the classroom teacher wrote them on the board and the students wrote them in their word notebooks.

The radio teacher provided an explanation of the meaning of each word and told stories that used the test words in context. Students were then retested.

A $94,000 grant from the Governor's Justice Commission of Pennsylvania has been awarded to WVIA–TV, Scranton-Wilkes-Barre, to produce a continuing weekly crime prevention series aimed at ten to 13-year-olds.

WCCB–TV, Lewiston, Maine, has a popular new talk series called "Take 30." Rob Gardiner, producer-director, describes it as a forum for the Maine community at large, with people trading ideas and venting opinions based on personal experience rather than professional expertise. "*Real* is the only word for the show," according to a viewer. iWth its new mobile unit, the station has also begun producing live local public affairs programs.

WIPR, San Juan, Puerto Rico, has produced a series on pre-Columbian mythology and researched the native music of Puerto Rico, as well as strengthened its local news operation.

New York is getting a good sample of how a state network can benefit the whole state by covering political affairs. Governor Rockefeller called an emergency session of the state legislature because of the extreme financial crisis facing New York, and public television responded in short order by providing live coverage of the session. Produced by Al Zink and Will Stone of WMHT, Schenectady the twelve-camera remote includes equipment from WXXI plus WNET's remote unit. Anchored by Mitchel Krause, PTV has been on the scene for two weeks with live coverage of debates from both houses, corridor interviews, hourly summaries and other background information. It is also providing a feed for many commercial stations.

WSIU–FM, Carbondale, Illinois, hired a full-time producer without which it would have been impossible for them to produce 13 distinguished programs on the environment.

WCMU–TV, Mount Pleasant, Michigan, is presenting a new public affairs series, "Capital Report." Each week two representatives of the Michigan legislature appear to report to the people. Special reports on broad topics constitute other elements in the program.

KUAC, College, Alaska, established two weekly programs devoted to local community affairs called "The People Talk" and "Forum," approximately 100 hours of local town meeting type discussions on the air.

Delta College's WUCM–TV made television history when it began televising, live, the negotiations between the Saginaw Township Board of Education and the Saginaw Township Teachers Education Association. Coverage began at 10 a.m. from Channel 19's studio on the Delta College campus. Some 317 teachers of the STEA struck the twelve-school suburban district, halting classes for 6,900 students. The TV bargaining is believed the first such in Michigan, and probably the country.

Said William J. Ballard, director of television at Delta College, "We offered our facilities as a community service to the Saginaw Valley. We are pleased with their acceptance and hope Channel 19 may have set a precedent for future coverage of this nature around the country."

KLCC–FM, Eugene, Oregon, expanded its hours of programming on Saturdays to 17, combined some of its grant funds with inadequate local salary money to hire a properly qualified music director, and has extended its news service throughout the summer months.

KLVS-TV, Las Vegas, has produced a series of programs on testing for use by elementary schools. This year the Metropolitan Achievement Test and the Otis Lennon Mental Ability Test will be administered to intermediate grade elementary students by television. According to John Hill, ITV specialist at the station, this approach will hopefully eliminate many of the variables in testing.

Two instructional series being aired over KCET, Los Angeles, have drawn record enrollments for instructional television. "The History of Mexico," a detailed study of Mexican history (a three-credit college course), has enrolled more than 6,000 students according to Dr. Cecil Osoff of the L.A. Community Colleges. A new approach to professional field studies for elementary school staffs "Class Meetings and Schools Without Failure," has an all-time high enrollment of 2,500. The course is taught by Dr. William Glasser, renowned psychiatrist and author.

KUNC, Greeley, Colorado, offers a total of 52 hours of programs for minorities in its audience.

KLRN, Austin-San Antonio's annual instructional television survey reveals that 91 percent of the elementary school teachers in its viewing community used in-school TV programs, and more than 60 percent of the secondary instructors who teach in subject areas in which KLRN has programming utilized the offerings. This is a substantial increase over last year.

From Connecticut Governor Meskill's inauguration and the opening of the legislative session on January 6, to August 23 when the Governor signed the last bill of the session, Connecticut Public Television broadcast over 100 hours of live coverage of the legislature. This coverage was supplemented by over 130 General Assembly segments aired on "Connecticut Newsroom."

The Eastern and Central Educational Networks are currently broadcasting "All About Welfare," a comprehensive nine-part series dealing with America's poor, produced by WITF, Hershey, Pa., through a contract with the Pennsylvania Department of Welfare. The series consists of six half-hour documentaries, two original 90-minute dramas—one written by Emmy-winning playwright Loring Mandel—and a 90-minute open forum. The series is designed to examine both the merits and the weaknesses of public welfare, and to provoke the viewer to at least give a fresh consideration to the way in which society responds to human needs.

Newspaper editors from across the State of New Jersey will be on camera and beside telephones as the New Jersey Public Broadcasting Authority presents "The Editors," its new weekly public affairs program. Viewers will be provided with the phone number early in the 30-minute program and will be able to phone in questions to a panel of the state's senior newsmen.

The Annual Instructional TV Survey in southwest Texas reported 91 percent of the elementary teachers used school television programs and more than 60 percent of the secondary instructors in whose subject area programs were available utilized the offerings. The teachers of southwest Texas are using their classroom television sets.

The survey, conducted by James A. Ullrich, KLRN coordinator of school services, consisted of the responses of 5,084 teachers and 218,532 students in average daily attendance at schools in San Antonio, Austin and neighboring communities. Ninety-six percent of the elementary teachers felt the programs were valuable teaching aids. Of these, only 73 percent found it easy to get a TV set into their classrooms and some reported that the sharing of sets made utilization difficult. Seventy-seven percent of the teachers said the televised programs were a stimulant to further study. On the secondary level, 88 percent of the teachers found the televised instruction a valuable teaching aid. Sixty-three percent said television receivers were easily obtained.

"The two hindering factors to maximum utilization indicated most often were inadequate central antenna systems for receiving the Channel 9 signal clearly and the lack of readily available television sets," Ullrich concluded.

The South Carolina ETV Network and Governor John West have scheduled a statewide press conference utilizing the ETV closed circuit talk-back system. This is the network's second statewide governor's press conference this year. Anyone at any of 15 different ETV centers across the state can question the Governor in the ETV studios in Columbia. The entire conference will be telecast live on the state network and is being offered for use on commercial radio and TV stations.

WTTW, Chicago, has produced a special, "Stateville: Trouble Behind the Prison Wall," examining the problems that have developed at the Illinois prison as a result of a reform warden's attempts to change the system against the wishes of the old guard. In the program, Warden John Twomey conducts a tour, the first comprehensive exploration of Illinois' Stateville Prison, explaining the situation in which the prisoners have been caught in the middle of his struggle with the prison guards. In addition to the tour, the program includes a discussion among various officials interested in prison reform and ex-inmates of Stateville.

"KIDS–TV" is KAET, Tempe's answer to the Saturday morning cartoon fest on the commercial networks. Sponsored by Motorola in the Valley, KIDS–TV is exactly what it says: Every Saturday morning, kids take over the station for five hours of their favorite public television programs. From preschool to eighth grade, kids handle all of the on-camera assignments and do their own television announcing. In addition, film crews from the station will be visiting schools all over the Tempe area and producing, with local children, special mini-films all about what TV and kids are doing. According to Joe Zesbaugh, Channel 8's program director, "Children spend more time watching television than they do in school. KIDS–TV can help them to understand a little bit more about how television works and also something about why they like it. In a culture so totally oriented to mass communication, we feel the understanding is damned important."

KCET, Los Angeles, has introduced a unique weekly news and public affairs series, "Newseekers," which is written, produced and performed by junior high school students. The anchorman is 13-year-old Jon Manzanares. The series is being made possible by a grant from the Nesbitt Foundation.

KBYU, Provo, Utah, has joined the mounting number of stations offering two-way television to their viewers. Viewers are able to call in questions direct to their mayor and city council members on KBYU's "You and Your Mayor."

Purdue University began broadcasting credit courses on radio station WBAA in the fall semester of 1969. Since that time, nine different courses have been offered to more than 4,000 students who have informally registered to monitor the broadcasts.

For the most part, courses are recorded as they are taught in regular, on-going class sections. Presentations are, of course, modified to accommodate the medium, and a radio producer is assigned to each course to handle those aspects of production. A preliminary analysis of broadcast expenses suggests that students were taught by radio for significantly less than normal university costs for a similar number of regular students. Evidence also exists to show that radio instruction was effective as well as economical. Successful radio students tended to score higher on the same examinations than successful students in regular sections of the courses. This is explained in part by students of particular courses which show that radio students tend to have higher grade-point indexes than non-radio students.

KLRN–TV, Austin-San Antonio, has completed a four-program color series exploring the colonial history of Arizona, Texas and New Mexico from 1500–1800. Funded by a grant from the National Endowment for the Arts and Humanities, the series uses a multimedia approach and is aimed at high school students. Information on "Pilgrims to the West" is available from Ms. Myrtle Boyce, KLRN director of instructional programming.

KXCV (FM), Northwest Missouri State College in Maryville, recently presented an unprecedented four and one-half hours live broadcast of a Missouri State Legislative Judicial Committee Hearing. The hearing was the first in Missouri to be held away from the Capitol in an effort "to take the state government to the people." The KXCV audio was also used by the college's Channel 10 on Maryville cable TV.

Gayle Parker, Littleton, Colorado, is the first to earn a master of science degree under a TV graduate engineering program called Colorado SURGE (State University Research in Graduate Education). He was awarded an M.S. degree in industrial engineering at recent Colorado State University commencement exercises after completing a three-year graduate education program without leaving his place of employment. For three quarters each year, Parker attended the telecourses before and after work in a cafeteria at the Denver division of Martin Marietta Corp., where he is employed as staff engineer.

WMUB–FM, Oxford, Ohio, continues to broadcast meetings of the Oxford City Council every other Tuesday night. Public interest has grown tremendously. People listening on radio have been moved to "rush" down to Council Chambers during the meeting to have their say on an issue.

The first Explorer Scout Radio and Television Career Post in New York and the second in the nation has been established at WMHT, Schenectady. The new post meets in the studios of WMHT and will take an active role in programming at the station.

New field tests are now under way for "Patterns in Arithmetic," the six-level sequence of telecourses available from National Instructional Televesion.

Approximately 6,500 students in randomly selected elementary schools in Portland, Chicago, Roanoke, Vermont and the Archdiocese of New York are seeing the twice-weekly lessons and using special exercise books as their basic arithmetic course during the one-year study. Another 6,500 students in the same areas are following conventional courses of arithmetic study, and at the end of the school year, the achievements of both groups will be measured and compared. The extensive testing program is being carried out by the University of Wisconsin's Research and Development Center for Cognitive Learning, where the courses were devised and developed over the last decade under the direction of Dr. Henry Van Engen.

"Patterns in Arithmetic" replaces older forms of elementary mathematics instruction with a visual presentation of the key ideals of modern mathematics supported by advanced theories of learning. The 336 15-minute lessons for grades 1 through 6 are arranged spirally to introduce the basic concepts of sets, numbers systems, numeration systems, operations, the mathematical sentence, measurement, geometry, number theory and probability.

KUT–FM, Austin, Texas, regularly features a member of the Austin City Council on "PM," KUT's late night conversation/interview program. A different city councilman is heard answering questions and soliciting opinions on the next day's business each week before the City Council's meeting.

Three out of four of the 81,000 public schools in the United States have TV receivers, according to preliminary statistics derived from the School Staffing Survey conducted by the U.S. Office of Education's National Center for Educational Statistics. The study indicates that 77 percent of the nation's 56,900 public elementary schools have television sets along with 69 percent of the 20,200 public secondary schools. Nine percent (7,100 schools) transmit televised instruction through closed-circuit of ITFS systems, and 26 percent (20,900 schools) are equipped with video tape recorders. Fifty-five percent (44,700 schools) have radio receivers—52 percent (27,200) of the elementary schools, and 62 percent (12,600) of the secondary institutions.

According to the survey, "Telecasts from educational (noncommercial) television stations are used by 53 percent of all schools, or more than 700 percent of the schools that have TV receivers. In terms of pupils, about 57 percent of the nation's public elementary and secondary school children are in schools which use educational telecasts. Proportionately, more schools in large cities than either in the metropolitan areas surrounding these cities or in other areas of the country use educational telecasts. The highest proportion of schools reporting use of educational telecasts is 90 percent for large city elementary schools."

WTCI Chattanooga, has been producing two series designed to help solve local problems. One series, "Assignment 45," is a public affairs series that attacks civic problems. On the January agenda for "Assignment 45" is a State of the City Address by Chattanooga Mayor Kirk Walker and a program examining the pro's and con's of anexation, a current problem in the viewing area. The other series, called "A Matter of Understanding," is designed to promote understanding among different groups. This series was begun with the support of the Friends of Forty-Five Human Resources Committee, a group of individuals from different ethnic groups.

A nationwide health education consortium employing television to help eight-to-ten-year-olds understand and cope with the social, emotional and physical problems they will face is being lanched by the National Instructional Television Center. At least 29 state educational or broadcasting agencies, one agency representing a Canadian province, and at least three representing metropolitan areas have joined, or are planning to join, the NIT effort.

The $600,000 undertaking is gearing up this month with the start of production of 30 15-minute programs. Initial program delivery is scheduled to begin in January 1973, with the entire series expected to be completed in September 1973.

Programs will be produced by four or five different agencies, under the supervision of the consortium's national and regional consultants.

Attachment B

SUMMARY OF THE EDUCATIONAL BROADCASTING FACILITIES PROGRAM (1964–71)

A keystone of federal support for educational broadcasting has been the U.S. Office of Education's Educational Broadcasting Facilities Program (EBFP).

In 1962 when the EBFP was authorized by the Educational Television Facilites Act (which amended the Communications Act of 1934), only 76 educational television (ETV) stations existed, and they served only slightly more than 50 percent of the U.S. population. Since that time, the program has helped to bring the number of ETV stations currently operating or under construction to 222. These stations have an audience potential of 80 percent of the population, including 75 percent of all elementary and secondary students.

EBFP accomplished this increase mainly by providing direct grants as "seed money" to defray up to 75 percent of the costs of broadcast equipment needed to get a new station on the air or to improve the capability of an existing station. Since 1963, EBFP has made 122 grants to activate new TV stations and 103 grants to improve or expand existing stations, totaling $49 million.

Educational radio also receives substantial support under the Educational Broadcasting Facilities Program, thanks to the passage in 1967 of the Public Broadcasting Act (amending and extending the Educational Television Facilities Act). Since 1968, $2.5 million has been awarded to radio.

EBFP awards are normally one-time grants with no promise of renewal and may be obligated to noncommercial broadcasting systems only. The Public Broadcasting Act of 1967 limits the amount of funds that may be awarded within any state to a maximum of 8.5 percent of the EBFP's total annual appropriation.

An important measure of the EBFP's success in stimulating the growth of a strong system of noncommercial television and radio stations has been the ratio of $6 in state, local and private funds spent for every federal "seed" dollar invested. No station funded during the EBFP's eight-year history has failed or gone off the air.

Educational broadcasting facilities program amounts awarded fiscal year 1964–71, by State

Total	$51, 364, 749
Alabama	1, 089, 621
Alaska	483, 307
Arizona	848, 644
Arkansas	314, 941
California	2, 070, 511
Colorado	565, 002
Connecticut	545, 287
Delaware	652, 390
District of Columbia	794, 694
Florida	2, 004, 134
Georgia	1, 290, 755
Hawaii	393, 762
Idaho	770, 531
Illinois	1, 472, 016
Indiana	1, 118, 702

Educational broadcasting facilities program amounts awarded fiscal year 1964–71, by State—Continued

Iowa	$786,020
Kansas	604,948
Kentucky	1,344,837
Louisiana	512,503
Maine	382,193
Maryland	926,801
Massachusetts	1,188,297
Michigan	1,656,954
Minnesota	1,239,904
Mississippi	1,502,251
Missouri	874,903
Montana	0
Nebraska	1,229,694
Nevada	365,610
New Hampshire	736,928
New Jersey	1,099,829
New Mexico	482,670
New York	2,083,435
North Carolina	930,732
North Dakota	306,466
Ohio	1,517,532
Oklahoma	807,974
Oregon	336,096
Pennsylvania	1,873,584
Rhode Island	604,655
South Carolina	1,300,692
South Dakota	1,455,834
Tennessee	1,471,437
Texas	1,730,179
Utah	550,486
Vermont	826,201
Virginia	1,830,073
Washington	1,329,967
West Virginia	1,283,826
Wisconsin	989,269
Wyoming	0
American Samoa	0
Trust Territory	0
Guam	149,979
Puerto Rico	300,193
Virgin Islands	337,500

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ATTACHMENT C

September 16, 197[illegible]

Office of Education – Division of Educational Technology
THE EDUCATIONAL BROADCASTING FACILITIES PROGRAM
GRANT [illegible] " [illegible] " [illegible]
(by State)

File	Applicant, City of Loc.	Ch	Amount of the Federal Grant TELEVISION Establish	 Exp/Imp	 RADIO Establish	 Exp/Imp	EST. TOTAL PROJ. COST
ALABAMA							
227-T	Ala ETV Comm, Demopolis	41	$340,000	$ --	$--	$--	$558,475
DELAWARE							
315-T	WHYY, Inc. Wilmington	12	--	336,135	--	--	448,1
FLORIDA							
273-T	Com. TV, Jacksonville	7	--	450,000	--	--	786,1
294-T	Fla. St. U., Tallahassee	11	--	231,635	--	--	308,
MICHIGAN							
30[illegible]-T	Mich. St U, E Lansing	23	420,000	--		--	574,5
292-T	Detroit ETV Fnd, Detroit	56	--	274,684	--	--	429,
MINNESOTA							
277-T	Twin Cities ETV, St.Paul	2/17	--	184,834	--	--	246,4
MISSISSIPPI							
281-T	Miss Auth for ETV, Greenwood	23	250,000	--	--	--	518,
NEBRASKA							
[illegible]-T	Nebr ETV Com, Norfolk	19	223,622	--	--	--	457,2
NEW JERSEY							
[illegible]-T	NJ Pub Brdcst, Little Falls	50	367,800	--	--	--	730,1
NEW YORK							
20[illegible]-T	Rochester Area ETV, Rochester	21	--	306,631	--	--	405,2
PENNSYLVANIA							
[illegible]-R	Ed. Pittsburgh ETV	207	--	--	80,252	--	107,0
SOUTH CAROLINA							
56-R	SC [illegible], Greenville	211	--	--	56,005	--	75,9
TEXAS							
27[illegible]-T	[illegible], Austin	9	--	251,000	--	--	376,
[illegible]							
297-T	[illegible] 10/5[illegible] [illegible]		--	256,0[illegible]	--	--	427,
			$3,0[illegible] (9)	[illegible] (6)	[illegible] (2)	--	$6,[illegible] (1[illegible])

$3,[illegible] (1[illegible]) ETV Projects

$137,[illegible] (2) ER Projects)

$[illegible]
1[illegible] projects

*Federal Grant is 62.6 % of Total Project Cost
MAXIMUM AMOUNT WITHIN A STATE FOR FY 1972 – $1,[illegible]

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ATTACHMENT D

Fiscal Year 1972
EDUCATIONAL BROADCASTING FACILITIES PROGRAM
(Pending Applications)
- by State -

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cost
Alaska								
R	98	A	Kotzebue Broadcasting, Inc.	670		---	53,333	71,333
T	356	A	Bethel Broadcasting, Inc.	4	KYUK-TV	262,440	---	349,930
T	362	I	University of Alaska, College II	9	KUAC-TV	78,337	---	104,450
Alabama								
T	169	I	Alabama ETV Commission, Montgomery	26	WAIQ-TV	279,884	---	559,767
T	186	I	Alabama ETV Commission, Birmingham	10	WBIQ-TV	267,486	---	534,971
T	234	I	Alabama ETV Commission, Auburn II	Net. Prod. Ctr.		450,000	---	605,000
R	89	A	Alabama ETV Commission, Birmingham	212	WBIQ-FM	---	77,868	103,824
Arizona								
T	274	I	Board of Regents, Tucson	6	KVAT-TV	114,518	---	152,690
Arkansas								
T	344	I	Arkansas ETV Corp., Little Rock II	2	KETS-TV	194,488	---	277,840
California								
T	199	A	Bay Area ETV Association, San Francisco	60		316,334	---	1,073,859
T	215	I	Community TV of So. Calif., Los Angeles II	28	KCET-TV	503,614	---	671,485
T	235	A	Viewer Sponsored TV Found, Los Angeles	32		516,363	---	683,484
T	217	E	Co. Superintendent of Schools, San Jose II	54	KTEH-TV	152,308	---	203,584
T	218	A	LA Unified School District, Los Angeles	58		652,659	---	1,306,559
T	303	E	Redwood Empire Educational Television, Eureka II	13	KEET-TV	104,599	---	139,465
T	322	A	Board of Trustees, Coast Comm. Col. Costa Mesa	50		336,688	---	883,527

* A - Activation of station E - Expansion project I - Improvement project

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R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested		Total Project C
						Television	Radio	
R	44R/20	E	General Manager KPSC-FM, Pasadena	207	KPSC-FM	---	13,215	17,620
R	117	E	San Mateo Jr. College District, San Mateo	216	KCSM-FM	---	16,354	21,805
Colorado								
T	232	I	School District #1, Denver	6	KRMA-TV	205,740	---	274,790
Connecticut								
T	351	A	Connecticut ETV Corp., New Haven	65		150,054	---	200,072
T	349	E	Connecticut ETV Corp., Hartford I	24	WEDH	322,500	---	430,000
T	350	I	Connecticut ETV Corp., Hartford II	24		232,500	---	465,000
Delaware								
District of Columbia								
T	307	I	WETA, Washington, D.C. IV	26	WETA-TV	562,170	---	749,560
Florida								
T	275	I	St. Bd. of Regents for U. of Fla., Tampa II	16	WUSF-TV	155,828	---	207,771
T	333	I	District Bd. of Trustees, Pensacola Jr. Col.	23	WBRE-TV	367,210	---	517,210
T	328	I	Fla. W. Coast Educ. TV Inc., Tampa	3		539,981	---	719,975

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R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cost[3]
T	352	E	Fla. C. Coast Educ. ETV, Inc., Orlando	24	WMFE-TV	362,186	----	482,915
T	354	E	Community TV Fdn. of South Fla., Miami II	2		382,425	---	509,900
T	367	E	Dade Co. School Board, Miami	17	WSCE-TV	412,136	---	550,887
Georgia								
Hawaii								
Idaho								
Illinois								
T	211	I	Chicago ETV Assoc., Chicago	11/20	WTTW/WXXW	558,191	---	1,058,191
R	112	E	Chicago Board of Educ., Chicago	218	WBEZ-FM	---	100,080	133,440

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cost
Indiana								
T	32T/259	A	Michigan Public Broadcast, South Bend	34		364,183	---	512,320
T	326	E	Lake Central School Corp., St. John II	50	WCAE-TV	231,448	---	333,448
T	327	I	Metropolitan Indianapolis TV Assoc. II	20	WFYI-TV	326,797	---	435,730
T	374	I	Ball State University, Muncie	49	WIPB	60,000	---	80,000
R	64	E	Ball State University, Muncie	214	WBST-FM	----	99,928	133,237
T	341	E	Bd. of Regents for Vincennes Univ., Vincennes, Ind. II	22	WVUT	353,350	---	471,135
T	357	I	Trustees of Indiana Univ., Bloomington	30	WTIV	200,701	---	267,602
Iowa								
T	334	I	St. Ed. Radio & TV Bd., Des Moines/Iowa City	11/12	KDIN-TV KIIN-TV	298,004	---	568,004
R	86	E	Iowa State University, Ames	211	WOI-FM	---	54,521	72,821
Kansas								
T	29T/253	I	Washburn Univ. Topeka III	11	KTWU-TV	66,802	---	89,070
R	100	I	Wichita State Univer., Wichita	206	KMUW-FM	---	27,664	36,585
R	87	E	University of Kansas, Lawrence	218	KANU-FM	---	96,853	129,253
T	360	I	The Sunflower Educational TV Corp., Wichita	8	KPTS-TV	49,499	---	66,057
Kentucky								
T	14T/247	I	Board of Ed., Jefferson Co., Louisville II	15	WFPK-TV	645,000	---	941,919
T	331	I	Board of Ed., Richmond	46	WKLE-TV	267,500	---	356,667
T	330	I	Board of Ed., Louisville/State	Net Prod. Ctr.		191,115	---	254,820
R	67	I	Eastern K Univ., Richmond	205	WEKU-FM	---	20,918	28,191

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project C
Louisiana								
T	306	I	Greater New Orleans ETV Foundation III	12	WYES-TV	529,309		705,745
Maine								
R		A	University of Maine, Biddeford	211		---	145,996	194,662
T	359	A	University of Maine, Biddeford	26		382,243	---	509,657
Maryland								
T	339	A	Md. Public Broadcasting Comm., Hagerstown	31		429,825	---	573,100
Massachusetts								
T	18[/287	I	WGBH Edu. Found, Boston III	2	WGBH-TV	299,713 ~~399,618~~	---	399,618 ~~299,713~~
R	115	E	Univ. of Mass., Amherst, Mass.	203	WFCR-FM		14,490	19,320
Michigan								
T	368	I	Delta College, Bay City II	19	WUCM-TV	333,395	---	573,395
R	47	E	Central Michigan Univ., Mt. Pleasant	208	WCMU-FM	---	46,316	61,754
T	338	A	Central Michigan Univ., Alpena	6		352,237	---	469,647
R	109	I	The Regents of The Univ. of Mich., Grand Rapids	281		---	19,577	26,127
R	108	I	The Regents of The Univ. of Mich., Ann Arbor	219		---	25,293	33,743

R T File No.		A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cos
Minnesota								
R	96	I	Bd. of Educa., Minneapolis	203	KBEM-FM	---	16,551	22,068
R		A	Minn. Educa. Radio Inc., Marshall	219		---	107,732	143,643
R	76	E	St. Cloud State College, St. Cloud	205	KVSC-FM	---	40,302	53,737
T	343	I	Duluth-Superior ETV Corp.	8	WDSE-TV	138,750	---	185,000
T	370	A	Minn. Independent School Dist. #742, St. Cloud	25		330,000	---	441,084
Mississippi								
R	88	A	Tishomingo Co. School District, Iuka	202		---	35,198	46,931
R	92	I	Northwest Junior College, Senatobia	211	WNJC-FM	---	23,973	31,564
Missouri								
R	94	E	Curators of Univ. of Mo., Rolla	203	KMSM-FM	---	138.241	184,322
T	358	E	Community Serv. Bdcstg. of Mid-America, Kansas City	19	KCSD-TV	499,500	---	666,000
T	364	I	St. Louis Educa. TV Comm., St. Louis III	9	KETC-TV	330,000	---	440,000
Montana								
R	103	E	University of Montana, Misscula	206	KWFM-FM		31,120	41,539

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cos
Nebraska								
T	221	A	Nebr. ETV Commission, Hastings	29		196,760	---	393,520
T	225	A	Nebr. ETV Commission, Merriman	12		111,254	---	222,509
T	205	I	Nebr. ETV Commission, Lincoln II	12	KVOM-TV	627,215	---	1,479,301
Nevada								
T	346	I	Clark Co. School Dist., Las Vegas II	10	KLUX-TV	117,000	---	156,000
New Hampshire								
T	291	I	Univ. of New Hampshire, Durham	11	WENH-TV	317,845	---	638,129
New Jersey								
T	371/255	A	NJ Broadcast Authority, New Brunswick	58		367,000	---	1,063,628
T	283	A	NJ Broadcast Authority, Deptford	23		367,000	---	1,063,628
R	116	I	Newark Bd. of Education, Newark III	202	WBGO	---	26,447	35,263
New Mexico								
T	272	I	Albuquerque Public Schools, II	5	KNME-TV	264,622		
T	329	A	Regents of N.M. State Univ., Las Cruces	22		467,514	---	623,350

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cost
New York								
T	223	I	Educ. Broadcast Corp., N.Y., N.Y.	13	WNDT-TV	546,187	---	1,022,375
T	22T/251	I	Long Island ETV Council, Garden City	21	WLIW-TV	138,900	---	185,900
T	332	I	Southern Tier ETV Assn., Binghamton	46	WSKG-TV	318,684	---	429,124
R	105	A	Rochester Area ETV Assoc., Inc. Rochester	218		---	102,278	136,378
T	361	I	Mohawk-Hudson Council on ETV Schenectady II	17	WMHT-TV	356,500	---	474,000
T	369	I	Western N.Y. ETV Assoc., Inc., Buffalo	17	WNED-TV	531,713	---	708,952
North Carolina								
North Dakota								
R	91	A	Univ. of North Dakota, Grand Forks	225		---	63,696	84,928
T	371	A	North Central Educ. TV Inc., Grand Forks	2		305,163	---	406,885
Ohio								
T	290	A	Ohio ETV Network Commission, Alliance	45		358,370	---	750,415
T	297	A	Ohio ETV Network Commission, Cambridge	44		160,895	---	553,138
T	347	I	Greater Toledo Educ. TV Foundation	30	WGTE-TV	205,010	---	285,010
R	97	E	Cleveland City Board of Education	212	WBOE-FM	---	169,205	225,610
T	365	I	Ohio Univ., Athens II	20	WOUB-TV	193,118	---	257,490
T	373	I	Greater Cincinnati TV Educ. Fdn., Cincinnati	48	WCET-TV	355,551	---	507,801

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Radio	Total Project Cos
Oklahoma								
R	114	A	Okla. State Dept. of Educ.	205		---	74,656	99,656
Oregon								
T	363	E	St. of Oregon - St. Bd. of H.E., Portland	10	KOAP-TV	32,982	---	43,977
R	72	I	Univ. of Oregon, Eugene	216	KWAX-FM	---	16,397	21,877
Pennsylvania								
T	229	I	Pa. State Univ., Clearfield II	3	WPSX-TV	217,851	---	290,468
R	102	E	Metropolitan Pittsburgh P.B. Inc.	207		---	94,694	126,258
R	81	A	Northeastern Pa ETV Assoc., Scranton	219		---	105,000	140,000
R	106	A	Educational Television of Northwest Pa. Erie	217	FM	---	130,343	180,343
Rhode Island								
South Carolina								
R	53	A	SC ETV Commission, Columbia	217		---	54,702	72,935
R	83	E	Univ of South Carolina, Columbia	210	WUSC-FM	---	11,425	15,425
R	93	A	SC ETV Commission, Charleston	215		---	91,281	121,707
T	348	I	SC ETV Commission, Columbia	35	WRLK-TV	474,436	---	632,582

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cost
South Dakota								
T	33T/256	A	Bd. of Directors for ETV, Eagle Butte	13		466,212	---	626,212
R	101	E	S.D. State Univ., Brookings	202	KESD-FM	---	22,226	29,726
Tennessee								
T	336	I	Tenn. St. Bd. of Ed., Knoxville	2	WSJK-TV	358,159	---	477,546
T	340	I	Tenn. St. Bd. of Ed., Chattanooga II	45	WTCI-TV	218,130	---	290,840
R	104	E	Middle Tenn. State Univ., Murfreesboro II	208	WMOT-FM	---	69,955	93,274
R	110	A	East Tenn State Univ., Johnson City	208	FM	---	61,780	82,373
Texas								
T	289	I	Public Tele Foundation of N. Texas, Dallas II	13	KERA-TV	195,000	---	404,234
T	342	I	Southwest Texas ETV Council, Austin	9	KLRN-TV	82,555	---	110,074
T	345	A	El Paso Public Tele. Fdn., El Paso	7		607,875	---	810,500
Utah								
T	222	I	Univ of Utah, Salt Lake City II	7	KUED-TV	349,5[illegible]1	---	469,324
T	140	I	Utah State Univ., Logan II	Prod. Ctr.		245,452	---	394,598
Vermont								
T	302	I	Univ of Vermont, Burlington II	33	WETK-TV	152,840	---	208,790

R T	File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cost
Virginia								
T	293	I	Hampton Roads ETV Assoc., Norfolk IV	15	WHRO-TV	197,184	---	396,250
R	107	A	Va. Cultural Foundation, Inc., Norfolk	208	FM	---	64,341	85,946
Washington								
T	278	I	Univ of Washington, Seattle	9	KCTS-TV	188,194	---	297,264
T	337	E	Washington State Univ., Pullman III	10	KWSV-TV	97,628	---	130,171
R	61	E	Jack Straw Memorial Found., Inc.	299	KRAB-FM	---	19,200	26,200
R	111	E	Tacoma School District #10, Tacoma	275	KTOY-FM	---	20,278	27,037
T	372	I	Clover Park School Dist. #400, Clover Park III	56	KPEC-TV	269,721	---	359,629
West Virginia								
T	262	I	W. Va. Ed. Broadcasting Auth., Huntington	33	WMUL-TV	106,575	---	142,100
R	90	A	W. Va. Bd. of Regents, Fairmont	215	FM		32,203	42,937
R	95	[illegible]	W. Va. Ed. Broadcasting Auth., Beckley	208	FM	---	134,910	179,880
T	355	E	W. Va. Bd. of Regents, Morgantown II	24	WWVU-TV	232,586	---	343,684
Wisconsin								
T	335	I	Bd. of Regents, Univ. of Wisc., Madison	21	WHA-TV	371,125	---	1,205,448
T	353	A	Educa. Comm. Bd., LaCrosse	31		549,646	---	1,168,646
R	99	E	Bd. of Regents of Univ. of Wisc., Madison	970 kc	WHA-AM	---	44,360	95,265
R	199	I	Regents of the Univ. of Wisc., Milwaukee	89.7 Mhz	WUWM-FM		22,896	30,527
Wyoming								

File No.	A/E I	Applicant-City of Reservation	Ch	Call Ltrs.	Funds Requested Television	Funds Requested Radio	Total Project Cost
rin Islands							
m							
st Territories							
erto Rico							
rican Samoa							
366	I	Dept. of Educ. Govt. of Am. Samoa	4	KVZK	164,400	---	334,000
				(22) A	8,051,528	(14) A	1,169,343
				(67) E/I	18,993,678	(30) E/A	1,468,183
				(89 ETV)	27,045,206	(44)	2,637,526
				133 projects	$29,682,732		

STATEMENT OF LLOYD KAISER, PRESIDENT, WQED, PITTSBURGH, PA.

Mr. Chairman, I am Lloyd Kaiser, President and General Manager of WQED, Pittsburgh. I am also the Chairman of the National Association of Educational Broadcasters' Executive Board, a body of 21 persons who represent the broad constituency of educational broadcasting and communication technology.

The NAEB Board (a full list is attached) is more than a self-interest group. Only thirteen of its members are from the various membership categories of the Association; eight are public members whose names I should like to identify: Clifford Alexander, a Washington attorney; Edmund Ball, of Ball Brothers Co. in Indiana; Warren Cannon of McKinsey & Co.; Floyd Christian, Commissioner of Education for the State of Florida; Mrs. Frankie Freeman, an attorney and a member of the U.S. Civil Rights Commission; Leonard Marks, a Washington attorney; Carroll Newsom, now retired, but formerly President of New York University and a Vice President for the Radio Corporation of America; and Elvis Stahr, President of the National Audubon Society.

I have mentioned the names of these members of the NAEB Board to underline a special characteristic of the NAEB. We believe that the presence of these persons on our Board puts the NAEB in an especially good position to represent the interests of its members in the context of the *public* interest. We believe that federal support for public and educational broadcasting is urgent because the services that can be provided through this developing capacity must grow to be a fundamental part of the public enterprise.

Mr. Chairman, before I comment briefly on WQED, I should like to introduce for the record, a report of a special NAEB Task Force which just last fall released its Report on Educational Broadcasting and Public Responsibility. It identifies what our Board considers to be the necessity for educational broadcasting, the justification for it, its responsibility and its freedom, its goals, and the conditions that are required for an adequate and effective system of educational broadcasting.

The NAEB Executive Board has discussed matters relating to financing needs of educational broadcasting for many years. We have put our views on record before this Committee many times. During recent months, we have commented specifically on some of the kinds of criteria we believed were being considered in long range funding proposals.

In our Executive Board meeting of May 15, 1971, our Directors unanimously resolved that:

> 1. NAEB continues to believe adequate funding for the Corporation for Public Broadcasting is a major national public need.
>
> 2. The NAEB urges the Administration and the Congress to initiate soon a suitable financing plan to meet this need.
>
> 3. The NAEB believes it imperative that such a CPB financing plan include a provision that a significant portion of the federal funds dedicated for educational broadcasting be allocated by statute directly to the broadcast licensees themselves.
>
> 4. No finance plan of the CPB should include any formula for distributing funds to stations based solely on changes in stations' income from one year to the next year.
>
> 5. The CPB should not be required to raise funds from the private sector in order to secure matching dollars beyond its basic federal appropriations.

and, "In any new legislation affecting educational broadcasting and related facilities, provision should be made for eligibility of nonpublicly supported, nonreligious, noncommercial educational broadcast licensees."

These resolutions were communicated to our members and made public subsequently.

In our Executive Board meeting of October 16, 1971, we unanimously resolved and made public the following statement:

> **NAEB reasserts its belief that local services are and must remain paramount in public broadcasting; accordingly, there must be continuing strengthening of local educational radio and television services through increased commitment of resources, programs and materials of high quality, and professional development and training activities directed at increasing the capabilities of local facilities.**

> NAEB commits itself to work for the development and passage of federal legislation providing for substantially increased national support for educational broadcasting stations, for state and local telecommunications facilities and for the Corporation for Public Broadcasting.

Mr. Harley has proposed four specific recommendations for your consideration. These basic needs are essential if the educational broadcasting enterprise is to continue its already surprising growth and contribution.

I would like to put these NAEB recommendations into a more specific context by considering them in relation to the educational broadcasting facility in Pittsburgh, WQED.

NATIONAL ASSOCIATION OF EDUCATIONAL BROADCASTERS

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William G. Harley, President
Chalmers H. Marquis, Vice President
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Ernest A. Hough, Treasurer

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Lloyd Kaiser, Chairman
Burt Harrison, Vice Chairman

MEMBERS

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*Mr. Warren M. Cannon, McKinsey & Company, Inc., 245 Park Avenue, New York, N.Y. 10017, Tel.: (212) 687–3600 (term expires: December 31, 1975).

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*Mr. Burt Harrison, Manager, KWSU, Arts Hall, Washington State University, Pullman, Wash., 99163, Tel.: (509) 335–5045 (term expires: December 31, 1973).

*Mr. Kenneth Kager, Station Manager, KUOW, 325 Communications Building, University of Washington, Seattle, Wash. 98105, Tel.: (206) 543–2710 (term expires: December 31, 1972).

*Mr. Lloyd Kaiser, General Manager, WQED, 4802 Fifth Avenue, Pittsburgh, Pa. 15213, Tel.: (412) 683–1300 (term expires: December 31, 1972).

Mr. Leonard Marks, Cohn and Marks, 1920 L Street NW., Washington, D.C. 20036, Tel.: (202) 293–3860 (term expires: December 31, 1973).

Mr. William J. McCarter, General Manager and Vice President, WTTW/WXXW, Channel 11, 5400 North St. Louis Avenue, Chicago, Ill. 60625, Tel.: (312) 583–5000 (term expires: December 31, 1972).

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*Mr. James S. Miles, Director, TV Unit, Purdue University, West Lafayette, Ind. 47906 Tel.: (317) 749–4266 (term expires: December 31, 1972).

Mrs. Marjorie Newman, Manager, WNIU–FM, Northern Illinois University, DeKalb, Ill. 60115, Tel.: (815) 753–1323 (term expires: December 31, 1972).
Dr. Carroll V. Newsom, Box 268, New Fairfield, Conn. 06810, Tel.: (203) 746–9466 (term expires: December 31, 1975).
Mr. O. Leonard Press, Executive Director, Kentucky Authority for ETV, 600 Cooper Drive, Lexington, Ky. 40502, Tel.: (606) 233–0666 (term expires: December 31, 1973).
Mr. John E. Rugg, KRMA–TV, 1250 Welton Street, Denver, Colo. 80204, Tel.: (303) 244–8899 (term expires: December 31, 1973).
Dr. Walter P. Sheppard, General Manager, WITF–FM, Box Z, Hershey, Pa. 17033, Tel.: (717) 534–3333 (term expires: December 31, 1973).
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*Mr. Kenneth L. Warren, Head, Instructional Materials & Equipment Services, Oregon State System of Higher Education, Coliseum 121, Corvallis, Oreg. 97331, Tel.: (503) 745–3424 (term expires: December 31, 1972).

*Executive committee.

STATEMENT OF KENNETH KAGER, GENERAL MANAGER, RADIO STATION KUOW, UNIVERSITY OF WASHINGTON, SEATTLE, WASH.

I am Kenneth Kager, General Manager of the University of Washington educational radio station, KUOW, in Seattle. I am also the chairman of the Board of Directors of National Educational Radio, which is the radio division of the National Association of Educational Broadcasters.

Along with my colleagues in NAEB and on behalf of the 190 educational radio stations who are members of our division, I wish to urge this committee to do everything within its power to increase federal financial support for public broadcasting. In particular, I wish to emphasize the new role which public radio is beginning to play in this country and explain why it is important for radio to have such assistance.

After the Congress enacted the Public Broadcasting Act of 1967 and set up the Corporation for Public Broadcasting, members of our board worked very closely with CPB and HEW representatives to determine how best to assist the growth of radio. Radio had been around a long time. In some places it had provided very substantial public service to education and to citizens in general. But as a major factor in public consciousness across the nation, educational radio had not yet arrived. Less than 20% of the 450 educational radio stations then operating had a permanent staff of at least three people. The average operating budget of those stations was less than $10,000 a year. More than half of them operated with a power of 10 watts, and many of them were being used primarily to train students in broadcasting. Most of them were on the air only 5 or 6 days a week and many operated less than eight hours a day. Yet elsewhere there were stations providing their communities with extensive and useful public service to schools and colleges, to community groups, to the professions, to agriculture, to children and to people in general. So the task before us was one of helping weak stations to become strong, and establishing strong stations where there were none at all. And with the limited funds available to CPB and to the Educational Broadcasting Facilities program of HEW, this was not easy.

Thanks to what we consider to be a sound plan of action worked out by CPB and HEW in consultation with those of us in the educational radio field, remarkable progress has been achieved in a very short time.

One of the very important elements in the plan is the Educational Broadcasting Facilities program of the Department of Health, Education and Welfare which provides matching funds for equipping new stations and upgrading older ones. President Harley already included in his statement the number of new radio stations made possible by this program and the number of older stations which are now serving their communities better because of it. Right at this moment there are 43 different localities requesting matching funds from this program for new radio stations or expansion or improvement of older ones—and nowhere near enough funds appropriated to do the job. This is an evidence of need which deserves serious attention. For the public is not being served as it should be in an area where the educational radio station is too weak, or where there isn't any at all! And when 43 communities are ready to pay part of the bill themselves, the federal government gets more for its money by giving it to places where local leadership has said: "We want this kind of station and we'll pay part of the cost but we need your help." This is one way where a small number of dollars makes a great, big difference.

But there are two other ways in which local educational radio stations are benefiting from federal funding. Both of them flow through the Corporation for Public Broadcasting, and it is these I want especially to emphasize for they will be vitally affected by the legislation which this committee is now considering. One is *direct support to local stations* and the other is the newly organized program service of *National Public Radio (NPR)*.

When CPB looked at its task of making far too few dollars go as far as possible toward building an effective and useful public radio system in our country, the first thing which was clear to all of us was that there really wasn't enough money to divide up among all noncommercial educational licensees. It was also clear that a great many such licensees did not choose to use their stations to provide a comprehensive educational, cultural, and informational service to their entire community. So in company with a representative group of station managers, CPB set some minimum standards which stations were required to meet before being eligible for direct financial support. This "carrot and stick" policy, though not universally popular, has worked, as shown by the number of stations qualifying for such support as time has passed:

November 1969 (beginning)	73
July 1, 1970	91
November 1970 (one year)	96
July 1, 1971	103
January 1972 (current count)	112

This is a 52 percent increase in slightly more than two years.

What have these stations done with their basic support grants, ranging from $7,500 up to $15,000? Permit me to give you just a glimpse or two—and you will find additional examples in our NAEB booklet, "PUBLIC RADIO", which we would like to have considered as a part of our testimony. Please keep in mind that here I am citing specific examples only of accomplishments directly the result of federal funding.

WILL, Urbana, Illinois hired a producer and assistant to research and produce a special series of programs on the proposed new constitution for the State of Illinois, thus stimulating citizen interest in government. The grant also enabled the station to lengthen its broadcast hours on Sundays.

KXCV, Maryville, Missouri, was able to acquire a full-time production manager to upgrade the quality and professionalism of all of its locally produced programming.

KLCC, Eugene, Oregon, expanded its Saturday hours to 17, combined some of the grant funds with inadequate local salary money to hire a properly-qualified music director, and was able to maintain its news service throughout the summer months.

WBJC, Baltimore, Maryland, used its grant to purchase 200 hours of programming produced by noncommercial broadcasters overseas, in order to give its listeners a better understanding of other countries. It also was able to contract for a news service, hitherto impossible under its own limited budget.

KUNC, Greeley, Colorado hired special personnel to produce 52 hours of programs for minorities in their audience, and also was enabled to acquire a full-time news and public affairs director.

KCSM, San Mateo, California, hired a full-time producer to do remote broadcasts related to local community interests and needs, including coverage of local events of importance, music performances by local groups, and coverage of the county fair.

KRWG, Las Cruces, New Mexico, a university station whose faculty personnel must teach communications courses while they also supervise the radio station, was finally able to hire a full-time radio program director and an instructional consultant to augment its faculty radio staff.

WSIU-FM, Carbondale, Illinois, was able to air 13 distinguished programs on the environment, thanks to federal dollars which made possible the hiring of a full-time producer.

WUHY–FM, Philadelphia, used its grant to build up its own local fund raising efforts, print a program guide, and undertake remote coverage of special events in its own community.

WETA–FM, Washington, D.C., was aided through its grant in establishing a full-time position of Station Manager (previously shared with WETA–TV). It also was able to hire one full-time radio producer and to purchase research data on the basis of which to plan future program service to its listeners.

KUAC, College, Alaska, established two weekly programs devoted to local community issues called "The People Talk" and "Forum", constituting approximately 100 hours of town-meeting-type discussions on the air.

Another result of these grants is the encouragement of further financial support from non-federal sources. Compare the somewhat dubious budgets we mentioned earlier with figures for the 91 stations which were qualified for basic support grants in fiscal 1970. In that year, the *total* income of these 91 stations amounted to $9,377,433, for an average per-station inome of $103,049. CPB basic support from federal funds granted those same stations that year totaled only $626,880, less than 7% of station income . . . yet without the stimulus of those federal funds it is doubtful that the stations would have shown the impressive rise in their own local support. Among other results, the grants made possible major improvements in local program service—which, in turn, led to stronger local financial support.

One of the objectives of National Education Radio, the membership organization for which I am the current board chairman, is to work with stations which as yet cannot qualify for CPB basic grants, for here lies the opportunity for local improvement. Thus we are especially supportive of two other grant programs of CPB which use federal funds as incentives.

For each of the past three years, CPB has offered one-time grants of $15,000 to stations which can utilize them to bring their station up to the minimum level to qualify for basic support. Ten such awards were made in 1970, five in 1971, and 10 more are projected to be made in 1972. How do the stations use these federal dollars?

WUSF, Tampa, Florida, a university station whose faculty members involved in the station must also carry a teaching load, was able to acquire its first full-time radio staff member—a production manager. Program quality and diversity subsequently showed remarkable improvement.

WMKY, Morehead, Kentucky, was able to add a full-time promotion and traffic manager and a full-time news director, thus greatly improving the station's ability to publicize what it was doing and to cover local community affairs more adequately.

KTEP–FM, El Paso, Texas, was able to hire a full-time music director both to plan programs and to do air work and also an operations manager to supervise and upgrade the activities of some 20 students in communications who thus more rapidly improved their abilities in all aspects of station operations.

WIAN, Indianapolis, Indiana, acquired a full-time professional radio producer, was able to subscribe to a news service for the first time, and added substantially to its record library. Here again the number of dollars is not great but they make a difference in service to the public.

Mention has been made of the fact that many communities in both rural and urban parts of our country are without full-service public radio. Another grant program has been instituted to encourage establishment of full-service stations particularly in heavily-populated and problem-ridden cities. Again the key is incentive, encouraging local leadership to overcome roadblocks and get their public radio service under way.

In Oklahoma City, the State Department of Education plans a new station to serve 607,000 people now without full-service public radio. The station will be on the air 14 hours a day, 7 days a week, 52 weeks a year, and will expand its schedule to 18 hours a day by 1974. The first-year federal grant will be used toward salaries of key professional personnel.

In Norfolk, Virginia, the local group which is now well along with plans for a new station is the Virginia Cultural Foundation. Their goal is to provide public radio to 800,000 people in their area now without such service. Their new station will be on the air 14 hours a day, 7 days a week, 52 weeks of the year and will also use its first-year federal grant to help pay salaries of key personnel.

In Rochester, New York, it is the community corporation which now operates the noncommercial educational television station that also is taking the lead in bringing local public radio to this community of 703,000 people. The Rochester Area Educational Television Association will put its radio station on the air 17 hours a day Monday through Friday, 16¾ hours Saturdays, 15 hours Sundays, 52 weeks of the year. By 1974 it will be housed in a new building with 1000 square feet reserved for the FM operation. By 1975 the schedule will be expanded to 18 hours a day. Here again, the first-year federal grant will help to pay salaries of key personnel.

WBOE, the Cleveland, Ohio school station, which for years has broadcast only instructional programs, now is expanding its scope and operations to evenings and weekends. Soon it will be broadcasting 14 hours a day, 7 days a week, 52 weeks a year to the 2,198,000 people of its area, using its incentive grant funds to extend the contracts of the present manager and programmers through the summer months and for additional engineering personnel to handle the extended hours of operation.

WBEZ, the Chicago Public Schools station, is embarked on a similar expansion plan. Using automation equipment to help extend its hours of operation without undue increases in personnel, its evening and weekend programming will be produced by a consortium of other educational and cultural institutions in the Chicago area which themselves do not have access to a public radio channel, thus bringing an entirely new service to the 7,665,000 people in WBEZ's 28-mile coverage radius.

These five provisional grants, just announced last month, total only $125,000 in federal funds—a small price to pay for such a substantial improvement in service to the public.

The three kinds of direct support to stations which I have just outlined—along with the matching funds for equipment available through the Educational Broadcasting Facilities program already mentioned—are joined by one more new element in educational radio.

For years, individual local stations have tried to construct among themselves some way of getting programs from national sources . . . programs reflecting different attitudes from different parts of our country . . . programs exemplifying the many facets of American life. For twenty years the NAEB through our radio division operated a central tape library consisting of the best things done locally by various stations. This helped. Some acquisitions from the BBC and other sources helped a little more. But what American educational radio needed was its own program service—and its own live, interconnected network. Now, thanks to federal funding through CPB, we have it.

It is known as National Public Radio (NPR). Although its headquarters are in Washington and it has its own staff of producers, its program policy is "decentralization." Its board, consisting mainly of station managers, has insisted on this and its staff has carried it out. In its first few months of operation last spring and summer, program segments from some 60 stations around the country took their rightful place in the program mix. It is a "two-way network", for it depends on its own stations to seek out program resources in their own communities to combine with the output of the NPR producers in Washington and the segments brought in form such other diverse sources as the British Broadcasting Corporation correspondents around the world, Radio Nederland, the CBC, the staff reporters of the Christian Science Monitor, Reuters, Agence France Presse, and the Associated Press.

NPR covers events of national importance, permitting listeners to attend via public radio Congressional committee hearings, press conferences, lectures, concerts, professional society meetings such as the AAAS, and the like. During the first quarter of this fiscal year, NPR fed an average of 18 hours of programming weekly, despite the fact that their service had been initiated only in May of last year.

Supplementing the live network service is the NPR tape library of some 30,000 programs, from which any noncommercial educational station can order features to augment its own local programming. This library was transferred voluntarily to NPR by our own membership organization last July 1 as a pledge of confidence in the ability of NPR to serve local stations. The service is widely used even though distribution costs are paid by the stations themselves—another clear indication that the service is appreciated.

The tape library and the interconnected services of National Public Radio are making a big difference in what the public is able to hear on radios all across the nation. None of this would have been possible without the federal dollars released through CPB.

All of us who are working so hard to develop a strong and useful system of public radio are, of course, most appreciative of the beginnings which were made possible by Congressional enactment of the Public Broadcasting Act of 1967. Encouraged by that legislation, we have adopted the goal of upgrading and improving the quality of this service and expanding it to reach 90% of the American people by 1976. In the various ways I have outlined, the dollars which you appropriated are being used to encourage support from other sources as well, in order that this country may finally have an effective nation-wide system of noncommercial radio.

Considering the relatively small amounts initially made available, much has been accomplished in a very short time. Compare my initial description of educational radio as it once was—with the fact that as of October 1971, full-service public radio was available to better than 98 million people. Not a bad beginning. Even so, that leaves us covering just short of 49% of our total population. To complete the job, we must have the kind of financial support which President Harley urged in his opening remarks

Radio—along with television—belongs to the public. It will be able to demonstrate its full potential only with a larger measure of public support. We believe the record of the recent past should be encouraging to the Congress, and we urge this committee to act favorably on the pending legislation.

STATEMENT OF JOHN A. MONTGOMERY, EXECUTIVE DIRECTOR OF THE IOWA EDUCATIONAL BROADCASTING NETWORK

Two and one half years ago, I appeared before this Committee to request more adequate funding for ETV. I commended the Federal Government at that time for an REA appropriation which in 1947 had radically changed the nature of domestic life in my family home. That was 25 years ago, seven years after they closed the one-room country school both my father and I had attended and began busing the children to town. It was not until last week, however, that education in this small-town consolidated school experienced a similar opportunity for revolutionary change made possible by the electronic media. This opportunity came through the activation of a 2,000 foot television tower for the expansion of educational television station KDIN-TV, Channel 11 in Des Moines, a project funded in part by a $394,000 grant through the ETV Facilities Act. Now the children in my home community and one million other Iowans have access through that station to one hundred hours of diversified programing each week during the school year. In addition to "Sesame Street," "Misterogers' Neighborhood," and the total program schedule distributed by the Public Broadcasting Service, available are 60 separate series for elementary and secondary schools covering virtually every segment of the curriculum from kindergarten speech improvement to driver education and a sizeable selection of both formal and informal instruction for adults.

In spite of this progress, however, there are 35% of Iowa's citizens still beyond the reach of ETV. These conscientious citizens are deprived of what new media can provide and they sense this discrimination deeply. However, if the State of Iowa is to complete what has begun to develop during the past four years, we must have the continuing financial assistance of the Federal Government. With ever-increasing costs in education we intend to continue using this medium to improve the quality of instruction, to reduce the rate of increase in costs of the schools, and to increase the results of present expenditures. In reference to the two areas of instruction cited earlier, for example, it appears possible to reduce the number of required individual speech therapists by 50% through basic speech improvement training on television for the primary grades. It has also proven possible to enhance the academic and attitudinal aspects of driver education as well as sharply reduce costs through the use of television presentations. These improvements and economies can be effected and multiplied dramatically in our situation only when statewide coverage is fully realized. From my viewpoint, it appears extraordinarily clear that no Federal educational dollars have done more and continue to multiply their value more than money spent on educational radio and television equipment. We urge your continuing support of adequate appropriations for broadcasting facilities. We also urge that in the light of new developments in technology, a percentage of this appropriation be identified for the purpose of broadening both the range of equipment for which the funds can apply and the eligibility of agencies qualified for such grant applications.

At the same time, I want to emphasize to you that programing dollars and program materials made available to Iowa through PBS by the Corporation for Public Broadcasting are of immeasurable worth. It is a diversified high quality national service which provides a true alternative in sections of the country too sparsely populated to support independent commercial stations and too rural to cover, in the foreseeable future, all citizens with distant signals brought in on cable. Programs which cover public affairs in depth, the entire cultural scope, and high quality children's fare fill a great void in communities which cannot support an art center, a museum, a theater or perhaps even a newspaper. The Corporation needs grossly increased funding to provide this national service as well as to make programing grants to local stations. We urge you to authorize and appropriate as a minimum the $45 million recommended by the administration. Inasmuch as no long range funding plans has been forthcoming, we find the Macdonald Bill an attractive proposal which is a major first step in meeting this need. It needs, however, to specify a clear provision by which community service grants to local stations can be increased to include at least 50% of the total appropriation by the end of five years.

There is no conflict in my part of the country between the concepts of a strong national service and a strong local production unit. A viable service will require both, and the formula of CPB to meet this dual need will serve adequately once an appropriate level of financial support is realized. If it were not for the current interconnection service many of the smaller stations would have few programs of sufficient quality to attract a meaningful audience. In Iowa we do not apologize for accumulating a large audience of viewers who look consistently to Public Television for specific kinds of high quality program service not found elsewhere. The day educational broadcasters fail to compete for the attention of viewers is a day as educators we are derelict in our responsibility. Only as we gain this attention can the Iowa Educational Broadcasting Network serve as a significant resource which will assist citizens to function responsively.

Some segments of the population are more difficult to reach than others with educational material. Perhaps no group presents a greater challenge than the undereducated adults, those millions of Americans who have never completed their high school education and who have learned to expect only the lightest and most frivolous forms of entertainment from their television sets. In my state of Iowa, for example, long known to boast of a higher literacy rate than most other states, the 1970 census revealed over 820.000 people past 25 years of ago who do not hold a high school certificate. In response to an obsolete television series offered last spring, $1300 of these people from the Des Moines area mailed in $5.00 each to get the printed materials designed to help them use TV as a means of preparing to pass high school equivalency tests. There is ample evidence that these people can be helped to qualify for better jobs; prepare for further formal education: and improve their sense of self-worth through this medium. The Corporation for Public Broadcasting is to be commended for a project now being pursued in this area of Adult Learning Program Service (ALPS). This series needs fully as much Federal financial support as "Sesame Street" has enjoyed and more attention at the state level to insure success. The task is infinitely more difficult but equally important. Such efforts require national effort beyond the resources of any single television station or state network. Far too much has been expected of these inadequately equipped local studios during the first twenty years of the industry's history. Now a redundancy of poorly funded locally produced series is being replaced by a recognized division of responsibility and cooperation among local and national efforts.

As an example, the National Instructional Television Center has demonstrated a capacity to orchestrate consortium efforts which pool the intellectual and limited financial resources of many states to effect very high quality materials at a minimal cost; yet these nationally recognized programs retain the essence of local control so valued in our heritage. To date, a series in early childhood education entitled "Ripples" and one in upper elementary art entitled "Images and Things" have been produced. Currently about 35 agencies are cooperating to contribute to a series in health education, "Inside/Out," due for completion by January 1973. Such efforts need substantial federal financial support. During the past decade most ETV stations have not qualified as direct applicants for program monies distributed by the U.S. Office through traditional institutional channels. We are encouraged to believe that given adequate appropriations Commissioner Marland's Office will greatly improve this situation.

Last week I met with a small steering committee representing about thirty state ETV agencies who are unanimous in their desire for instructional television programming money to extend local resources. It is important that such funds be expressly reserved for dissemination to local stations without restrictive qualifications relating to their application. The outcome of such funding would be to support and strengthen the basic staff and material capacities of the stations to provide their own communities a wide range of locally desired planned, produced, or transmitted instructional services.

In summary, gentlemen, I come before you as one spokesman for the public Educational Television stations of this country. My requests are few but loaded with potential for the future development of the nation:

1. Immediate authorization leading to appropriations for CPB during Fiscal '73.
2. Increased funding for facilities under the ETV Facilities Act.
3. A long range financing program for the CPB which will enable it primarily to foster the development of local stations and services and to facilitate the development of national services which contribute to that end.

(The following letter, with attachments, was received for the record:)

NATIONAL ASSOCIATION OF EDUCATIONAL BROADCASTERS,
OFFICE OF THE PRESIDENT,
February 14, 1972.

Hon. TORBERT H. MACDONALD,
House Interstate and Foreign Commerce Committee, Subcommittee on Communications and Power, Washington, D.C.

DEAR MR. CHAIRMAN: In behalf of its members, the NAEB commends you for introduction of H.R. 11807 and for your expeditious and intensive hearings on that legislation. The NAEB's members in particular want to express their support for those provisions that encourage telecommunications development, provide five years of authority for the Corporation for Public Broadcasting, establish a Public Broadcasting Fund, provide to that fund for CPB and the stations $65,000,000 for FY '73 up to $160,000,000 in FY 1977, and earmark a portion of those CPB funds for station grants.

In response to your invitation to submit a permanent financing plan and in furtherance of our declared intention to clarify and supplement our testimony of February 2, enclosed please find the following memoranda:

1. A Discussion of a Permanent Plan for the Support of Educational Broadcasting:
    (*a*) required elements
    (*b*) relationship to long-range and continuing proposals
2. Copy of H.R. 11807 annotated with modifications recommended by the NAEB
3. Supplementary Statement to Oral Testimony:
    (*a*) station representation on the CPB board
    (*b*) explanation of the Richmond two-station situation
    (*c*) additional comments from non-commercial educational broadcasters

The first statement isolates the necessary elements in any permanent financing plan for educational broadcasting and relates those elements to less-than-permanent financing plans.

The second presents specific language changes in H.R. 11807 which incorporate the following modifications: changes the title to include "noncommercial educational broadcasting"; makes references to noncommercial educational broadcasting consistent throughout the bill; establishes an upper limit of 50% on the percentage of CPB dollars which must be earmarked and distributed to stations as "community service grants", in order to provide a permissible maximum to which those annual percentages may increase during the five year life of the bill; changes the standards of distribution of CPB funds in Section 396 (k) (2) (B) to require the concurrence of station-elected representatives of educational broadcasting stations in their distribution; specifies the time schedule under which applicants must file and funds shall be distributed in community service grants; and adds a new Section 397(11) to define "community service grants".

The third statement clarifies and extends certain responses given during our oral testimony, and offers evidence of stations support for the NAEB's stated position.

The NAEB appreciated the privilege of appearing before the Committee and we hope these supplementary statements to our testimony will be entered in the record and will be useful to your committee in its consideration of this important subject of providing adequate funding for the educational broadcasting enterprise.

We would welcome the opportunity to comment on, or react to, matters presented and discussed during the other two days of the hearings, about which we have not commented here.

Sincerely yours,

William G. Harley.

Enclosures.

MEMORANDUM ON PERMANENT, LONG-RANGE AND CONTINUATION OF FEDERAL FUNDING FOR NONCOMMERCIAL EDUCATIONAL BROADCASTING

This memorandum is in response to the request of the Chairman of the Subcommittee no Communications and Power of the House Interstate and Foreign Commerce Committee for suggestions from the National Association of Educational Broadcasters for permanent financing for the Corporation for Public Broadcasting, in terms of both the generation and disposition of federal funds.

As you know, the members of this Association have long been on record as wholeheartedly supportive of permanent financing for the Corporation for Public Broadcasting as a means of insulating its activities from undue outside influence. We have repeatedly testified to this fact before Congress documenting the actions of our Division and Executive Boards in endorsing the recommendation of the Carnegie Commission on Educational Television for the imposition of a tax on television and radio sets, proceeds from which would be dedicated to the support of the Corporation for Public Broadcasting. For example, as stated by the ETS Board of the NAEB in its meeting on January 27 & 28, 1969, the board ". . . continues its support of the Carnegie Commission for Educational Television's recommendations including that for an excise tax on sets as the most practicable plan put forth to date for the permanent financing of the Corporation . . ."

We do not believe that any sounder suggestion has yet been put forward, but we are aware of the great difficulties involved in the passage of such dedicated tax legislation. Yet no other method properly seems to answer the needs of educational broadcasting.

A slight variation of the dedicated tax principle has had some NAEB staff discussion; we bring it to your attention not as a recommendation, but simply to introduce the idea into the discussions. We understand that consideration of a national "value-added" tax has been recommended, the proceeds of which would be distributed to the nation's educational institutions according to an equitable formula developed by those agencies responsible for the development and progress of education. Presumably, any such value-added tax would apply, among other things, to the manufacture and sale of radio and television broadcasting and receiving equipment.

We suggest that possibilities may exist here for the permanent financing of public broadcasting, from the portion of the proceeds of a national value-added tax which is attributable to the manufacture of television and radio equipment and receivers.

We hasten to add that we are not, and do not purport to be, experts on tax matters. We may misunderstand or fail to recognize the complexities of such taxing problems. We would only suggest that *any* tax rate that would meet the test of economic sufficiency for the nation's vast educational system would be more than adequate to meet the needs of educational broadcasting in particular because of economics of scale and advantageous cost effectiveness factors in the use of radio and television for education.

Whatever method is used to generate and allocate federal funds for noncommercial educational broadcasting, we submit that a vital part of any plan for the distribution of these funds should include three factors.

1. Establishment of the Public Broadcasting Fund.

2. Administration of the Public Broadcasting Fund by CPB with the advice and concurrence of station-elected representatives of noncommercial educational broadcasting stations. Such representatives should be selected by each of the nationally-elected boards of membership organizations.

3. Specified distribution provisions to noncommercial educational broadcasting stations.

We are not unmindful of the implications inherent in proposing a dedicated tax, placed in an insulated fund administered by CPB. It may be said that once a *permanent* plan is in place, the Congress will have relinquished its right and responsibility, as the representatives of the people to exercise legislative oversight on the stewardship of the funds: to assure that all elements of public broadcasting are indeed operating in the public's interest, and in accord with legislative mandate. In any plan for federal funding of public broadcasting, therefore, appropriate insulation with accountability, adequate checks and balances, must be established. We believe that they can be provided for within the total noncommercial educational broadcasting enterprise in two additional ways:

First, accountability is currently required by the FCC of each noncommercial educational station, which must renew its broadcast license periodically and regularly demonstrate responsible stewardship of a public trust. Such experience should be put to further use, and we believe it would be of service to the Congress, the people, and the Corporation, to include provisions which would require the advice and concurrence of management-elected representatives of educational broadcasting stations in the distribution of federal funds. It is suggested that such representatives be selected by each of the nationally-elected boards of membership organizations.

The second vital part of a built-in checks and balances system is the amount and manner in which federal funds flow from the Public Broadcasting fund. We believe that there should be provisions both for the Corporation and the stations, to enable them to plan their activities ahead on the basis of stipulated levels of income; to allow CPB to concentrate its energies on national levels of station service, and provide the vital margin necessary to the individual station for the development of noncommercial educational broadcasting services to the many audiences comprising the American public. We believe this delegation of responsibility is consistent with the mandate of the Public Broadcasting Act, for the Corporation to be the instrument for providing financial as well as national program and service support for public broadcasting.[1] (See p. 6)

Clearly, the burden of responsibility for the support of each noncommercial broadcasting entity is a shared one. There should be no question that federal support from the Public Broadcasting Fund is distinctly supplemental in nature, yet absolutely essential to provide the critical resources to meet increasingly demanding needs for local service to the public. Distribution of such federal funds, then, must meet the tests of providing the incentive to generate continuing additional non-federal support, affording a measure of protection against diminution of such support through some form of maintenance-of-effort provisions, and not jeopardizing the diversity of income sources which is of vital importance to the viability of local stations from both a financial and philosophical perspective. This recommendation for a stipulated share of federal funds is intended purely for the purpose of enabling all parts of the system—the stations as well as the state, regional and national agencies—to plan effectively for the future.

Inherent in any consideration of distribution methods is the use of percentages: a percentage of the CPB budget, or a percentage of federal funds or, further, a percentage of local non-federal support. At current levels, CPB community service grants are approximately 15% of the CPB budget, 17% of CPB federal funds, and 5% of local non-federal station support.

As one measure of station accountability, and also as an appropriate method for use in the distribution of federal funds, we would suggest that if percentages are to be used in a *permanent* plan they are more meaningful in terms of a ratio to local support for educational broadcasting, rather than a percentage of federal funds, or of the budget of a national organization, which have been under consideration in *less-than-permanent* plans.

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[1] We would also make reference to the Morrill Act of 1862, the second Morrill Act of 1890, the Nelson amendment of 1907, and the Bankhead-Jones Act of 1930 which all relate to land-grant colleges and the pass-through of federal funds. No expiration date is set on authorizations in the Morrill Act and individual annual operational grants now are in excess of $200,000 each.

This discussion on permanent financing for public broadcasting has attempted to describe briefly a much sought after situation hopefully to be realized in the not too distant future. Obviously, the reality of today was ever present in our thoughts, even while trying to visualize the future. Recognition of this fact should help in understanding the ideas presented, but also—from our perspective—has helped us to understand why there may have seemed to be some confusion in the oral testimony to your committee on February 2, 1972. Several pieces of legislation had been or were about to be introduced, with different time-frames, funding levels, distribution methods and recipients, and accountability/insulation features.

Let us try to summarize the essential features of a permanent plan, and then follow that material with specific scaled-down possibilities, placing them in time-frame references of "permanent", "long-range" and "continuation".

To repeat, there are three points which are necessary in any plan, as insulation/accountability check-and-balance factors:

1. Establishment of the Public Broadcasting Fund.
2. Administration of the Public Broadcasting Fund by CPB with the advice and concurrence of station-elected representatives of noncommercial educational broadcasting stations. Such representatives should be selected by each of the nationally-elected boards of membership organizations.
3. Specified distribution provisions to noncommercial educational broadcasting stations for community service grants.

PERMANENT

In addition to the factors above, there would be no expiration date on authorization, a dedicated source of revenue, and distribution to stations for community service grants would be based on a ratio to non-federal support.

LONG RANGE (5 YEARS)

In addition to the factors above, in proposed long-range legislation exemplified by HR 11807, there would be authorization from general revenues, terminating June 30, 1977, in the following amounts: FY 73—$65 million, FY 74—$90 million, FY 75—$120 million, FY 76—$140 million, FY 77—$160 million.

Distribution of said authorization would be as follows:

To CPB: $35, $40, $50, $50, $50, starting in fiscal year 1973 through fiscal year 1977.

To Stations. Community Service grants would be not less than 30 per centum nor more than 50 per centum of total amount in the Fund each year.

(For illustration, in the fifth year CPB would receive $50 million, the stations would receive a minimum of 30% of the $160 million total for community service grants, which would be $48 million. The balance of the total of $160 million, after subtracting the CPB and station community shares, would be $62 million. That amount would be apportioned by CPB with station concurrence for maximum impact throughout the interrelated elements of noncommercial educational broadcasting.)

CONTINUATION (1 YEAR)

In addition to the factors above, there would be authorization from general revenues, terminating June 30, 1973. Since precise authorization and appropriation levels are not yet determined, a funding level range of $40–70 million is used for illustration to be distributed as follows with percentages based on the total federal appropriation:

If federal funding is at the minimal level: 70% should be distributed to CPB, 30% to stations for community service grants.

For each $1.5 million above the minimal level, the higher percentage should be reduced by one and the lower percentage increased by one until the upper end of the funding range is reached.

(For illustration, at the $45 million level, the percentages would be 66⅔-33⅓; at the $55 million level, the percentages would be 60–40; at the $70 million level, the percentages would be 50–50).

In conclusion, we would repeat the position taken before your committee on February 2, 1972; that educational broadcasting is not a national system, but a community-oriented service that is nationwide. This is not to say that educational broadcasting can do without national interconection, and program services. Indeed, it must have them as well as strong community services if it is to succeed. However, it is to say that the work of the national organization will be successful only to the extent that it energizes local capacities and services.

[Recommended modified version of H.R. 11807]

A BILL To provide for improved financing for the Corporation for Public Broadcasting, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Act of 1971".

TITLE I—EXPANSION OF SCOPE AND IMPROVED FINANCING OF CORPORATION FOR PUBLIC BROADCASTING AND NONCOMMERCIAL BROADCASTING

SEC. 101. (a) Section 296(g)(2) of the Communications Act of 1934 is hereby amended by striking out "and" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof "; and", and by inserting after subparagraph (H) the following new subparagraphs:

"(I) to distribute among qualified applicants the funds under paragraph (k)(3) of this section."

"(J) to encourage and assist the utilization and development of all forms of telecommunications facilities (including new technology) for the production and distribution of educational radio and television programs."

(b) Subsection (k) of section 396 of the Communications Act of 1934 is amended to read as follows:

"(k)(1) There is hereby established in the Treasury a special fund which shall be known as the Public Broadcasting Fund, to be dispensed in the manner and for the purposes hereinafter set forth. There is appropriated to said Fund for the fiscal year ending June 30, 1973, $65,000,000, and for each of the four succeeding fiscal years such amount as, together with the balance remaining in the Fund at the close of the immediately preceding fiscal year, will bring said Fund to the level of $90,000,000 for the fiscal year ending June 30, 1974; $120,000,000 for the fiscal year ending June 30, 1975; $140,000,000 for the fiscal year ending June 30, 1976; and $160,000,000 for the fiscal year ending June 30, 1977."

"(2) During the fiscal year ending June 30, 1973, and during each of the four succeeding fiscal years there shall be distributed from the Public Broadcasting Fund to the Corporation for Public Broadcasting:

"(A) $35,000,000 in the fiscal year ending June 30, 1973, $40,000,000 in the fiscal year ending June 30, 1974; and $50,000,000 in each of the three succeeding fiscal years; plus

"(B) to the extent available, a matching amount which equals one-half of the non-Federal support for public and instructional broadcasting during the second preceding fiscal year: *Provided, however,* That the total amount distributed to the Corporation under subparagraphs (A) and (B) shall not exceed $65,000,000 in the fiscal year ending June 30, 1973; $90,000,000 in the fiscal year ending June 30, 1974; $120,000,000 in the fiscal year ending June 30, 1975; $140,000,000 in the fiscal year ending June 30, 1976; and $160,000,000 in the fiscal year ending June 30, 1977.

"(3) Of the total amount received by the Corporation from the Fund in each year, not less than 30 per centum nor more than 50 per centum shall be distributed by the Corporation in accord with paragraph (4) to noncommercial educational broadcasting stations for community service grants.

"(4) Standards for eligibility apportionment and distribution of funds under paragraph (2)(B) shall be established by the Corporation with the advice and concurrence of station-elected representatives of noncommercial educational broadcasting stations, so as to:

"(A) assure the maximum benefit to the public;

"(B) reflect the relative needs and requirements of local communities;

"(C) maintain and stimulate existing or potential sources of non-Federal financing available to noncommercial educational broadcast stations;

"(D) stimulate the growth, development, and independence of noncommercial educational broadcasters; and

"(E) encourage and assist the utilization and development of all forms of telecommunications facilities (including new technology)."

"(5) The moneys to be paid from the Fund to the Corporation shall be paid at the beginning of each fiscal year."

"(6) No noncommercial educational broadcaster shall be eligible for any distribution under paragraph (3) unless it has filed an application with the Corporation no later than one hundred and twenty days after the close of the applicant's fiscal year immediately prior to the fiscal year in which funds are distributed to it establishing its status as [illegible] public and instructional broadcaster, and showing the amount of the non-Federal support which it received during the preceding fiscal year."

"(7) Distributions under paragraph (3) shall be made to all eligible noncommercial educational broadcasters no later than sixty days following receipt of an application by the Corporation."

TITLE II—GENERAL PROVISIONS APPLICABLE TO PUBLIC TELECOMMUNICATIONS

SEC. 201. Sec. 397 of the Communications Act of 1934 is amended as follows:

(1) Amending paragraph (5) thereof to read as follows:

"(5) The term 'nonprofit institution' means a foundation, corporation, or association, no part of the net earnings of which in fact or by law insures to the benefit of any private individual, and which qualifies as an exempt organization under section 501(c) of the Internal Revenue Code of 1954."

(2) Insert after paragraph (9) thereof the following new paragraph:

"(10) The term 'non-Federal support for educational radio and television' means the value of cash and the fair market value of property received by noncommercial educational broadcasting entities in the United States—

"(A) as gifts, grants, or donation from all sources other than (i) the United States or any agency or establishment thereof, and (ii) any noncommercial educational radio and television entity, and

"(B) as payment for the furnishing of public and instructional telecommunications services or materials, from States, State political subdivisions, and educational institutions,

except that no amount which has been counted once upon its receipt shall be counted again, in the same or any other year, upon its disbursement to a new recipient. For purposes of this paragraph, the term 'public broadcasting entity' means a nonprofit institution, State agency, or agency of a State political subdivision, substantially all of whose activities consist of production, acquisition, or distribution of public radio and television programs.

"(11) The term 'community service grants' means funds to be distributed by the Corporation to noncommercial educational broadcasting stations for unrestricted use by each station in activities related to its local broadcast operation, which funds shall be distinct from any other funds received from the Corporation by the station under any other grant or contract."

STATION REPRESENTATION ON CPB BOARD

A proposal in H.R. 12808 provides for 10 station managers to be appointed to the CPB Board. In 1967, when the Public Broadcasting Act was being developed, NAEB took the position that station representation on the CPB board did not seem appropriate. During the four years the CPB has been in operation, the subject of assuring the stations a stronger voice in the policy making of CPB has been a recurring one.

If consideration is to be given to the appointment of station management representatives to the CPB Board, we would not feel that station managers should be in the majority at this time. Rather, there should be no more than are needed to provide an appropriate representation of the field and to assure effective presentation of stations' views within the Board's deliberations. As the Public Broadcasting Act stipulates, the Corporation Board should represent many sectors of the American public. Accordingly, it seems to us that it would be advisable for a clear majority of the Directors to continue to be eminent, disinterested lay members rather than professional station personnel.

Further, if any station managers were to be put on the CPB Board, the slate of candidate from which they are selected should be created by their peers. Those members of the NAEB Executive Board, elected nationally by the Association's television station and radio station members, represent such a slate. Thus, one approach might be the appointment by the President of a limited number of CPB board members from among the radio station or television station members of the NAEB Executive Board, as professionals already elected to represent the national needs of educational broadcasting.

EXPLANATION OF THE RICHMOND, VA., TWO-STATION SITUATION

The Chairman asked about the reasons for having two stations in any community, for example, what was the situation in Richmond, Virginia.

In Richmond, Virginia, there is one public radio station, WRFK-FM, licensed to the Union Theological Seminary, and two public TV stations, WCVE, Channel 23 and WCVW, Channel 57, both licensed to and operated by Central Virginia Educational Television Corporation in Richmond.

The radio station, WRFK-FM, is a high-power FM station, broadcasting a full schedule of good music, fine arts, and cultural programs, as well as being a member of and carrying the national programs from National Public Radio. It is the only such cultural and public radio station in Richmond at this time.

The two educational TV stations WCVE and WCVW are both part of the same organization, and operate out of the same facilities with the same personnel. Having two channels makes possible carrying a wider range of diverse public TV programs, but especially provides for optimum scheduling of instructional programming for the Richmond-area schools. The organization is a member of the Public Broadcasting Service, and carries its national programming. It also receives an annual general support grant—but only one—from the Corporation for Public Broadcasting. Such station grants go to the licensee, in this case the Central Virginia ETVA Corp., not each channel such an agency serves. The grant is based on the combined budget for operating both channels.

There are more than a dozen other such multiple-station operations in the nation. For the most part a single organization operates both. In a few cities there are more than one TV or radio station licensees using separate facilities. This has happened where there are significantly different programming needs which can be met only by different licensees.

ADDITIONAL COMMENTS FROM NONCOMMERCIAL EDUCATIONAL BROADCASTERS

Chairman Macdonald referred at various times during the recent hearings to the need to know the reaction of the stations themselves from around the nation. NAEB's witnesses attempted to present the synthesis of station views for the record in both oral and written form. To illuminate further the record for the benefit of the Chairman and the Committtee members, we offer the following messages received since the hearing from the stations and their related organzations.

FEBRUARY 11, 1972.

TWX to William Harley, President, NAEB, Washington, D.C.

From Howard D. Holst, Chairman, Southern Educational Communications Association, Columbia, S.C.

The board of directors of the Southern Educational Communications Association a non-profit membership organization consisting of some fourteen public radio stations and more than fifty public television stations in thirteen southern and southeastern states, wishes to support the position that any federal legislation regarding financing for the Corporation for Public Broadcasting contain a provision that, beginning at a level of $40 million, a minimum of 30% of CPB funds go directly to the stations in what are now known as community service grants, and that as the level of federal funding increases, the percentage of funds designated for such community service grants be further increased.

* * *

To William Harley, President, NAEB.

From Frank Barreca, Chairman, Rocky Mt. Public Broadcasting Network (RMPBN).

Re Hearings on Public Broadcast Funding.

It is our understanding that you have been requested to submit written testimony to the Macdonald Committee within the next two days. After listening to summary reports of the committee hearings regarding the pending public broadcasting bills, we are not sure of the committee's reaction to the testimony, nor do we know what will be the result of these hearings. However, since this is a matter of great importance to us as a regional or organization and as individual stations, the urgency of this situation compels us to communicate to you some of our desires.

First, there is no mention of regional networks in the reports we have received. It is obvious there is a need for financnal support for the regional networks and we wish this to be communicated.

Second, there seems to be some confusion as to the position of the stations regarding individual station support. We cannot speak for all of the stations in the country, but in a series of telephone calls yesterday the managers of the undersigned stations, as a network and individually, were in agreement that the proposed minimum of 30 percent of the funds allocated to the stations should increase as the appropriation rises to 50 percent, or more, of the total appropriation.

We all are hopeful that this problem of long-range financing for public broadcasting can soon be resolved, since it is so urgently needed by all those presently concerned for the continuance and growth of this important communications resource.

Frank Barreca, KUAT, Tucson, Arizona (Chairman of RMPBN)
Robert H. Ellis, KAET, Phoenix, Arizona.
Jack Schlaefle, KAID, Boise, Idaho.
Peter Haggart, KUID, Moscow, Idaho.
Herbert Everitt, KBGL, Pocatello, Idaho.
Gerald Willsea, KRMA, Denver, Colorado.
James Dryden, KTSC, Pueblo, Colorado.
Mark Hathaway, BY, KBYU, Provo, Utah.
Rex Campbell, KUED, Salt Lake City, Utah.

FEBRUARY 4, 1972.

* * *

FEBRUARY 4, 1972.

To Mr. William Harley, President, National Association of Educational Broadcasters.

From J. Michael Collins, President, Eastern Educational Television Network.

Since there seems to be some confusion arising out of the recent Washington hearings as to where the stations really stand regarding station funding as a percentage of the total annual federal appropriation to CPB, I think that the following report may prove helpful.

At a meeting of the Eastern Educational Television Network board of trustees on January 27, 1972, the stations agreed in principle with the Macdonald bill for financial support of public broadcasting, but felt strongly that the percentage of funds to be passed through to the stations from CPB rise as the total amount made available to CPB rises, eventually reaching more than 50 percent of the total appropriation.

The stations felt that the above should be written in to the bill.

We would like to have this representation of our wishes made in any further presentation you make to Mr. Macdonald's committee. A list of the station members of EEN is attached.

Attachment.

WCBB—Lewiston, Maine
WCNY—Syracuse, New York
WEDH—Hartford, Connecticut
WENH—Durham, New Hampshire
WETA—Washington, D.C.
WETK—Winooski, Vermont
WGBH—Boston, Massachusetts
WHYY—Philadelphia, Pennsylvania
WITF—Hershey, Pennsylvania
WLVT—Allentown/Bethlehem, Pennsylvania
WMEB—Orono, Maine
WMHT—Schenectady, New York
WMPB—Owings Mills, Maryland

WMUL—Huntington, West Virginia
WNED—Buffalo, New York
WNET—New York, New York
WNJT—Trenton, New Jersey
WNPE—Watertown, New York
WNYE—Brooklyn, New York
WPSX—University Park, Pennsylvania
WQED—Pittsburgh, Pennsylvania
WQLN—Erie, Pennsylvania
WSBE—Providence, Rhode Island
WSWP—Beckley, West Virginia
WVIA—Scranton, Pennsylvania
WWVU—Morgantown, West Virginia
WXXI—Rochester, New York

* * *

KWSU TV and KWSU AM, Pullman, Washington wish to express support of sliding scale approach to distribution of CPB funds to local stations. Thirty per cent is a reasonable starting point but as funding increases the corporation national needs will be satisfied much sooner than the needs of the local stations; thus the percentage balance should tip in favor of the local stations as higher total dollars amounts are made available.

GORDON TUELL,
General Manager, Radio TV Services,
Washington State University, Pullman, Wash.

* * *

KVIE TV Sacramento, California continues to strongly support legislation insuring that support for local stations provide increases commensarate with increases in the CPB Budget.

ARTHUR A. PAUL, *General Manager.*

* * *

Congratulations on your Macdonald subcommittee testimony that local stations should receive an increasingly larger percentage of CPB funds. 30 percent is too low even this year and should definitely not become a permanent ratio. Developments and strengthening of local stations must be our major concern if we are to fulfill the true mandates of the 67 act and ideals of the Carnegie Study.

FRANK ROBERTS,
Manager KYVE TV, Yakima, Wash.

* * *

Re Macdonald bill hearings, please be advised that the testimony you, Rich Breitenfeld and Lloyd Kaiser presented was right on as far as I am concerned. We need to have the sliding scale concept included in that legislation. KSPS TV Spokane stands solidly behind you in your effort to accomplish this.

Kind Regards,

WALT SCHAAR,
General Manager, KSPS TV.

* * *

Re Macdonald congressional hearings, urge local station support fund be kept growing upward as corporation funds increase.

DONALD H. TELFORD,
Vice President and General Manager,
KEET TV, Eureka, Calif.

* * *

I support you and thank you for your testimony that the Macdonald bill be amended to stipulate that stations receive a rising percentage of funds.

WILLIAM REED,
General Manager, KIXE-TV, Redding, Calif.

Mr. **Macdonald.** I am going to recognize the majority leader of the House, Mr. Boggs of Louisiana. He has a witness from Louisiana whom he would like the opportunity to present at this time.

Mr. Boggs.

STATEMENT OF HON. HALE BOGGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. Chairman, I am really very interested in your subcommittee. It so happens that well over 15 years ago I joined with Senator Magnuson of Washington in introducing the first bill dealing with the subject of public television. Since then we have pioneered in New Orleans in the establishment of a community television station.

Our witness, Mrs. Moise Dennery, is one of the public-spirited citizens who made this possible. She interested me in the subject a good many years ago. She has continued to serve on the board of our station there. She has had many other activities of a public nature in our community, having sat on the board of Council of Jewish Women, the library board, and many other public-spirited endeavors.

She and her husband both are very much concerned with public television. Mr. Dennery was recently appointed chairman of our new State Commission on Public Television, a commission just created by the last session of our legislature.

Mr. Chairman, I consider Mrs. Dennery really an expert in community television. She knows how difficult it is, how important it is to bring in all elements of a community to make an enterprise such as this successful. She will testify later this afternoon.

Were it not for the bill on the floor which I think is about to be voted on, I would certainly like to stay here with you. I would like to commend you and the other members of this subcommittee on this legislation and so much other very important legislation that you send to the floor during the course of each session.

Thank you very much, Mr. Chairman.

Mr. **Macdonald.** We shall now recognize as our next witness, Mrs. Moise W. Dennery of New Orleans, La.

STATEMENT OF MRS. MOISE W. DENNERY, MEMBER, BOARD OF TRUSTEES, PAST CHAIRMAN, WYES–TV, BOARD OF TRUSTEES, NATIONAL FRIENDS OF PUBLIC BROADCASTING, NEW ORLEANS, LA.

Mrs. **Dennery.** Thank you, Mr. Chairman.

Mr. **Macdonald.** You have been sitting here patiently. We do welcome you here, and welcome whatever you have to say.

I might suggest, unless you want to go into it line by line, that your statement will be introduced into the record as if read at this point and then you can paraphrase or ad lib or answer questions, whatever way you want to do it. How do you prefer?

Mrs. **Dennery.** I will be happy to submit my complete statement for the record.

Mr. **Macdonald.** Without objection it is so ordered.

Mrs. **Dennery.** If you will permit me I wish to highlight the statement. First, on a personal note, may I say how impressed I am with the dedication of the committee and the amount of knowlege acquired.

This is my first experience before a congressional committee and I am very impressed. And I do thank you and the members of your committee for permitting me to appear before you today.

As the record will show, I have almost 14 years of experience as a volunteer in the field of public broadcasting. Perhaps I am testifying because I may be the oldest volunteer in the entire country—in terms of service. I will not take the time to tell you the various committees on which I have served. I would have hoped to impress you with my background and my involvement, but I understand the time problem.

The volunteer movement has been one of the most exciting developments in the field of public broadcasting. There are perhaps 80 various jobs being carried on by volunteers for their local stations, jobs for which no money is available, and volunteers have been able to provide supplemental service to the stations which frees the professionals to do the more complete professional part of their job.

Mr. Macdonald. Mrs. Dennery, have you had a chance to look at the bill which has been introduced by me and the other members?

Mrs. Dennery. Excuse me, that is in my prepared statement. I support the bill as it was introduced.

Mr. Macdonald. Do you have any special reason to support it? Does it have features that appeal to you? Or are you just in favor of public broadcasting and you think this is not a bad way to support it?

Mrs. Dennery. I go into this a little more deeply. I don't consider myself a "do-gooder" as some people think of some volunteers. I have had the opportunity to read the bill. I am impressed with your bill's recognition of the service public broadcasting is performing, the recognition that there is an increasing need for the dollar, the practical aspect of it, taking it step by step, and the very important point of the long-range financing. I am in favor of permanent financing.

Mr. Macdonald. You don't have to apologize for being a "do-gooder." We need more people like that, not fewer.

Mrs. Dennery. It has been a very exciting, rewarding part of my life. I was the chairman of the board of the New Orleans station for 3 years. During that time we had no membership of any sort, no contributing members. We now have 4,500 or more members paying dues from $15 to $100. Then we had no fund-raising campaign. This past November we held a TV auction, we had 1,800 volunteers from all walks of life in New Orleans, 1,800 volunteers in one community, and we raised over $300,000. This is one of the most spectacular achievements.

Mr. Macdonald. This was before Mardi Gras time?

Mrs. Dennery. Yes; it was. Believe me, we plan our events around Mardi Gras, which is in 2 weeks. The response to WYES–TV in New Orleans has been a very remarkable thing. We feel that in large part it is due to the type of programing which is provided us by PBS. This has given the station great stature and has helped build great audiences. It is a tool which we have been able to use to take advantage of increased audiences to build increased local support. This has been one of the effective things.

Mr. Macdonald. What is the closest public broadcasting station to you?

Mrs. Dennery. New Orleans is at the present time the only public television station in Louisiana. I must tell you that the legislature in

1971, at the request of volunteers, created an authority for a State network and, would you believe, my husband is the chairman of this. We consider this to be keeping it in the family.

Mr. Macdonald. I understand. Are there further questions of the lady?

Mr. Tiernan. Thank you, Mr. Chairman.

I want to congratulate the young lady from New Orleans for her diligence and patience in being here the last 2 days.

I notice on page 11 you make reference to "the top quality programs provided by PBS is responsible in a large measure for our increase in WYES viewers and increased local support."

I see you are using the volunteers also to drum up viewers for the programs. How about on your fund-raising programs? Do you handle that or is it handled by a professional group?

Mrs. Dennery. As volunteers we recognize we need professional supervision to provide continuity and professional techniques. The actual solicitation is handled completely by the volunteers.

Mr. Tiernan. I also notice that your board is made up of biracial members.

Mrs. Dennery. Yes. It was the first in the country.

Mr. Tiernan. How do you find the response to the national programs as opposed to the local programs?

Mrs. Dennery. The national programs, I regret to say, have a quality so far superior to what our funds have been able to permit us to produce on a local level that for the most part they have a larger audience. Some special programs, such as our news program, "City Desk," which we have been able to produce with volunteers, reporters who serve as volunteers in the station, have a very large audience. "City Desk" is not shown at a time in competition with commercial news. It addresses itself in depth to news of a local nature and statewide nature.

Mr. Tiernan. Also I see an indication that you want to have four additional—is that goal for Louisiana—four additional educational stations?

Mrs. Dennery. Five. This is the responsibility of the Louisiana Authority; yes. The New Orleans station would be a part of this network but would retain its autonomy.

Mr. Tiernan. The chairman is your favorite volunteer.

Mrs. Dennery. The State chairman. He is my favorite volunteer.

Mr. Brown. What is the nature of the additional network within the State? Who will supervise that, and what is the purpose of that network?

Mrs. Dennery. That is an authority created by the legislature. I believe there are 18 members of it serving in a volunteer capacity, nonprofessional. They come from all over the State. Some are appointed by the Governor. Others are appointed by various civic and educational organizations within the State. The purpose of it is to provide enormously increased instructional television. I don't have an index but in the statement there is reference to the need for making the best use of educational dollars. Does that answer your question?

Mr. Tiernan. Really, the thrust of the question was to draw out the comment about instructional television and the purpose of the activity. Is it to increase the cost effectiveness of the educational dollars spent in the State of Louisiana?

Mrs. DENNERY. This is the statement of the chairman of the Authority, yes, which is included in my statement.

Mr. TIERNAN. Thank you.

Mr. MACDONALD. Thank you very much. We are terribly sorry to have kept you all day. We get tired of sitting too sometimes.

Mrs. DENNERY. I am as interested as you are. I appreciate this opportunity.

Mr. MACDONALD. We welcome your interest. You said "do-gooder." We need more do-gooders.

Mrs. DENNERY. I have this WYES program guide. I thought you might be interested. On the inside cover is our instructional television program schedule.

Mr. BROWN. If you will allow me one moment at this late hour. I think the name MERCI is of interest. I would think with WYES as the name of the station you would have named this publication "WE".

Mrs. DENNERY. O-U-I?

Mr. BROWN. Or "WE" with the background of support that you have.

Mrs. DENNERY. We do have a very large button which reads "I am a WYES Man." It is very effective when ladies wear it asking for money, because this is an icebreaker. We have used the name in many ways.

Thank you, Mr. Chairman.

(Mrs. Dennery's prepared statement follows:)

STATEMENT OF MRS. MOISE W. DENNERY

Mr. Chairman: I am Mrs. Moise W. Dennery of New Orleans.

I appreciate this opportunity to appear before you and the distinguished members of your Subcommittee. This is a particular honor for me, for I know this Subcommittee provided the main thrust for the creation of the Public Broadcasting Act of 1967, which is proving to be in the best interests of the American people.

I wish to commend you particularly, Mr. Chairman, for your leadership and to indicate my support of H.R. 11807 as a step toward long-range financing insulated from outside control.

Almost fourteen years ago as a trustee of the Public Library, I was named as its representative to the newly established board of WYES–TV.

I have been a volunteer worker in matters involving the public interest literally for 37 years. I started my volunteer work at Madison House on the Lower East side of New York City during the Depression. Since that time I have been involved in many different areas of volunteer work, such as hurricane relief, race relations, hospitals, etc., and recently was named by Governor John J. McKeithen to the Louisiana Coordinating Council on Higher Education.

From the very beginning of my involvement with public television I realized that it had the potential of serving well all of the fields which are so important to me, as well as the potential of serving every segment of my community; every social stratum, every special interest group, as well as the needs of individuals.

I have been a member of the WYES Board since 1959, a member of its Executive Committee since 1965, the Chairman of the Finance and Building Committee 1965–66, and Chairman of the Board of Trustees during the three-year period 1966–69.

I was a participant in December 1964 and March 1967 in the first and second national conferences on long-range financing of educational television stations held in Washington under the auspices of NAEB. The Carnegie Report was first presented at the 1967 meeting. So you will understand, Mr. Chairman, that I have followed the subject of long-range financing for PTV over a period of several years.

Since 1969, I have been a member of the Board of Directors of the National Friends of Public Broadcasting, and presently am a member of the Executive Committee and the Chairman of its national Information Committee.

In all of these activities, I have participated as a volunteer, never as a salaried person on any staff. I appear here today, Mr. Chairman, solely as an individual, and not as a representative of any of the organizations to which I belong.

There are many thousands of volunteers in this country who share your concern with the future of public broadcasting and devote some part of their time, energy and resources to their local stations. The National Friends Organization has grown steadily and now includes representatives from 97 public television and radio stations; these are people of all ages and backgrounds.

A cross-section of projects carried on by volunteers across the United States would show that we serve as artists, set designers and builders, production assistants, typists and file clerks, speakers, docents, and members of telephone committees. We only do jobs for which there is no budget. We have provided the leg work for professionally developed surveys of community needs and attitudes. The National Friends has developed a manual with information and exhibits covering such diverse subjects as forming a Friends Group, the role of the volunteer, fundraising events, building station memberships, community outreach, program promotion, surveys, speakers' bureau, station tours, publicity, and information.

In addition to many jobs performed at the local stations, there is also considerable activity at the state level. In Louisiana, WYES has been the only public television station. Many of Louisiana's citizens (in other parts of the State) thought they should not be deprived of the programming of public television, and a group of citizens, feeling strongly that everyone in the State should have the benefit of this type of programming, called on the State Legislature, which enacted legislation in the summer of 1971, creating the Louisiana Educational Television Authority. Last December, the Governor appointed 18 members of the Authority, all of whom serve without remuneration of any sort. I know this because the Chairman of the Authority is my favorite volunteer—my husband, Moise W. Dennery.

Public television in my household (I have two grown sons) is a real family affair—no pun intended.

There is great hope for the new public television network in Louisiana. Together—the Authority and WYES—will be able to provide all of Louisiana's citizens with the important benefits of instructional television—possibly the last and best hope for quality education for children and adults. Louisiana—in common with the other 49 states—must look for and find some reasonable method of financing excellent education for its greatest asset—its citizens—and educational television offers the best means yet devised for doing this at a cost which the State can afford.

To do this, the Authority plans to construct five stations and one or more translators—and they must be equipped with the most modern and efficient facilities. My State cannot afford the vast outlay of funds that this will require—and must look for help from the Federal Government. Without the proper facilities, the finest programming in the world will not reach the schools and citizens. The Authority will seek capital funds through a bond issue in order to finance the original construction but Federal grants will be necessary to complete the job.

Now I would like to give you some of the dramatic statistics from New Orleans which demonstrate the value of volunteers to a station. I would also like to review briefly with you some of the recent activities among public broadcasting volunteers around the country, developments demonstrating the kind of broad-based citizen support which warrants a continuation—and even an increase—in the commitment to it by both Congress and the private sector. I will start by talking about the situation I know best—that of station WYES in New Orleans.

Only six years ago, WYES had no active volunteer program, no contributing members, and the annual operating budget was only $250,000. In 1971, over 1800 citizen volunteers worked in an auction which raised over $300,000. Nearly 40 per cent of the present annual budget of $800,000.

Through volunteer efforts directed by the staff, WYES has built its membership up to 4,500 and this number increases every week. These members pay annual dues ranging from $15 to $100. In the early years WYES had no members because it could not afford the staff to run a campaign. It was only when the Board of Trustees—both men and women—responded to a plea by our station manager, Bill Hart, that a membership campaign first got underway. We found that it wasn't hard to get members. In the last three months, our membership co-chairmen, Mrs. James W. Reily, Sr., and Mrs. Shepard H. Shushan, and members of their Committee started writing personal notes with an introductory sentence reading: "Recently I asked a friend why he wasn't a member of WYES and he replied: 'I've never been asked.' We didn't want that to happen to you or to us. Won't you please join today." The response has been tremendous. The system works—but it requires staff supervision, electric lights, stationery, pens and pencils, membership files, telephones, and so on. The past year, for the first time, we also had a direct fundraising campaign. Using volunteers and prospects not involved in our annual auction, we raised about a quarter of a million dollars. This campaign was done on short notice, and we are confident that with sufficient time to plan, this year's campaign will far exceed that amount.

Some stations funded by state legislatures of educational institutions are unable to conduct these types of fundraising campaigns, but those which can are becoming increasingly aware that the benefits from these projects are well worth the investment of time, staff and facilities as the rewards are great in many areas.

Community stations conduct a variety of campaigns for raising capital and operating funds. The benefits of the TV Auction are so numerous that at the end of the first WYES auction it was felt that if we hadn't raised a dime, the auction would still have been a great success. It put WYES on the map.

The WYES Board—one of the first in the country to become bi-racial—is another example of volunteer activity. There are 33 members of our Board, and they include representatives of big and small business. Our Chairman, Louis Freeman, is Vice President of the Louisiana Coca-Cola Bottling Company; one Vice President of Xavier University in New Orleans, Paul Fabry, the Managing and our Honorary Chairman is Darwin Fenner, who served on the Board of NET for many years—now retired from Merrill Lynch, Pierce Fenner and Smith. Among our Board members is Turner Catledge, the recently retired Managing Editor of the *New York Times*, who now calls New Orleans his home, and who is very active on behalf of WYES. Also among our Board members are Clarence Jupiter, a distinguished member of our black community, and Vice President of Xavier University in New Orleans, Paul Fabry, the Managing Director of International House and Lt. General David Wade (Ret.), the Adjutant General of Louisiana. We have housewives, bankers, educators and retailers, VIP's and just citizens, serving as active Board members.

The goal of WYES is to achieve staff, facilities and talent on a level sufficient to provide the capability of serving the New Orleans community with a greatly increased quantity of local programming at a quality level commensurate with our network programs. We are aware that since the creation of the Corporation for Public Broadcasting and Public Broadcasting Service, the national programming has been the prime cause of a dramatic increase in our audience as well as of the tremendous interest of this audience in public broadcasting in New Orleans.

WYES–TV is on the air 94 hours each week, and this includes six hours each day devoted to instructional television. The budget is just under $800,000. It should be $1,500,000. We have 39 staff members and there should be 100. Our budget for salaries is $312,000. Four years ago the Carnegie report recommended a salary budget of nine hundred thousand dollars for a staff of 100. Additional staff will meet the great need for more local production which would be of tremendous service to our community.

Our grant from the Corporation for Public Broadcasting last year was not large, $22,500, but it enabled us to do a few things on our list of priorities which we would otherwise have been unable to do. But the list is long. We have not been able to continue a program entitled "Neighborhood" since our grant from the Ford Foundation ran out. The program was produced on location in Center City and it is a service we hope to provide again in the future, budget and facilities permitting.

To assist in the instructional television phase of the station's activities, WYES has an educational advisory board made up of university presidents, school superintendents, professors and teachers from public and private colleges and schools.

Without a grant from Ford or any foundation, we have started a weekly program in cooperation with the *States-Item*, our afternoon newspaper. It is called "City Desk" and the associate editor and four or five reporters—as WYES volunteers—provide a news program which places in perspective major statewide and local news events in a depth not possible in commercial TV journalism. This is a one-hour program, shown on Friday evening, and rerun on Saturday evening. "City Desk" has had a great impact on the "news views" and commercial television news programs in the New Orleans area. One success story—

yes—but there should be several. WYES is only able to produce five and one-half hours of local programs each week. These are rerun once during the week, so out of 64 non-ITV hours on the air, only 11 hours are provided locally—and we do this with one production supervisor, three directors, three technicians, and one film photographer. Other positions in our table of organization are unfilled. For example, we have no lighting technicians. Although we have two studios, we can only use one because the lighting alone for the second one would cost approximately $100,000.

WYES recently received a grant of $102,000 from H.E.W. under the emergency school assistance program. The resulting television series program is tentatively entitled "Project Uplift" and its thrust and objective is to create a positive attitude in the Jefferson Parish School System regarding the transitions required by Court-ordered desegregation. Only Jefferson Parish (adjacent to New Orleans) is involved in the production of this program, but other parish (county) school systems will benefit from the program. Also, during 1971, WYES produced two segments of William Buckley's "Firing Line," one of which is scheduled for a special network replay this week.

WYES local programs include talk shows, a garden show, "Prologue to Action" (our local "Advocates" show), and we are in the process of developing a series of programs with the Urban League of Greater New Orleans. Most of these are hosted by volunteers.

A survey conducted last year reflected that New Orleans had the second sharpest increase in public television viewers in the entire nation—an increase of 62 per cent over the previous year. This translates into the fact that each week 117,000 home television sets are tuned to WYES programs. This is impressive—but it is not good enough. Too many families are not watching public television in our community. Volunteers are developing projects to increase the number of viewers. Resources must be made available *now* for programming that will appeal to every citizen some time during the week.

There is a great deal of uniqueness about New Orleans. We have French culture and hurricanes. We have history and offshore oil, with all of its benefits and problems. We have wildlife preserves and Mardi Gras. We have the Mississippi River and jazz.

If the programming goals could be achieved, WYES could produce local programs aimed at involving every citizen in the diverse decision-making roles in our community. The "Town Meeting" concept should be used so that it might apply to every divergent group and would encourage the participation of all citizens in all community problems and their solutions.

But more local programming is not the only answer. The top quality programs provided by PBS are responsible in a large measure for our increase in WYES viewers and increased local support.

With your permission, Mr. Chairman, I have attached to this statement for insertion in the record, a letter from our Governor, a letter from our Mayor and an editorial which appeared in yesterday's edition of the *New Orleans States-Item*. It is further testimony to the high regard in which public broadcasting is held in New Orleans.

Volunteerism in public broadcasting is quite new and even untried in some stations, but there is a tremendous reservoir of citizens willing to help, as public television is an ideal volunteer project. It has glamour—it has high purposes—it is an ever changing and improving arena—the working conditions are interesting, even if not plush—so it is easy to recruit workers.

Individuals have a variety of reasons for wanting to do volunteer work. Some have a sense of responsibility and obligation to the democratic system and they want to help make it work. Some feel the need to occupy their time. Some have a desire to develop new talents or to keep using known talents. Some feel the need for personal recognition. Some want to broaden their lives or make new acquaintances. Some want to be part of a successful enterprise. It is not important to define the motivation factor in each instance. It is only important to recognize that whatever the reason—whether altruistic or selfish—the volunteer who is properly supervised and who is working under sound standards can perform an invaluable service to local public broadcasting stations.

Volunteers and professionals are able together to develop a plan which can free the staff member to devote more hours to the professional aspect of his or her career by assigning the more routine tasks to the volunteer. A good professional can make a volunteer feel like a million dollars—and a good volunteer can make a professional look like a million dollars. Mutual respect and trust must be developed—and this requires staff, time and money—very little of any of which has been available to develop this most important type of activity.

Mr. Chairman, I thank you for the opportunity of testifying on this important legislation. I trust that as one volunteer I have carried the message of the thousands of volunteers and would-be volunteers throughout the land who are vitally interested in public broadcasting.

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT,
Baton Rouge, La., January 31, 1972.

Hon. TORBERT H. MACDONALD,
Chairman, House Subcommittee on Communications, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN MACDONALD: I understand that your subcommittee shortly will be holding hearings on pending legislation which will determine the amount of federal support for public broadcasting. The Legislature of Louisiana, during its 1971 Session, created the Louisiana Educational Television Authority, and I recently appointed the members of this Authority, which is now a functioning part of the Government of the State of Louisiana.

This State is very much interested in creating a statewide network of television and broadcasting stations to serve the public's need, with particular emphasis upon the instructional phases of public broadcasting.

I believe that it is essential to the success of our program in Louisiana, as well as to the success of similar programs throughout this country, that the Congress increase its appropriation of program and facility funds for public broadcasting purposes, and I strongly urge that your sub-committee recomment such increased funding.

Respectfully yours,

JOHN J. MCKEITHEN,
Governor of Louisiana.

CITY OF NEW ORLEANS,
WASHINGTON D.C. OFFICE,
February 1, 1972.

Hon. TORBERT H. MACDONALD,
Chairman, House Subcommittee on Communications and Power, Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN MACDONALD: My administration in New Orleans, along with those of other Mayors across America, recognize the unique potential and vast importance of Public Broadcasting. In the field of providing education and public information, in the area of encouraging greater citizen involvement in government, Public Broadcasting has neither-nor serious competition.

In my city, WYES-TV has historically cooperated with the elected officials in developing programs which inform and involve citizens regarding the work of their local government, and I have no doubt that this cooperation will continue.

In order to develop this into an effective national system of public broadcasting for the people of the United States and to insulate it from undue pressures and influences, I believe it essential for Congress to increase federal funding for public broadcasting.

I commend you for the strong role you have played in this area and hope that the hearings to be held this week are both enlightening and encouraging for the cause of public broadcasting.

Respectfully,

MOON LANDRIEU,
Mayor of New Orleans.

[From the States-Item, Feb. 1, 1972]

PUBLIC BROADCASTING MERITS INCREASED FEDERAL SUPPORT

Legislation to provide an improved system of funding for public broadcasting now is before Congress. We hope Congress will come up with a plan that provides adequate funding over a significant period of time so as to assure public broadcasting the resources and stability it needs to serve the people of this nation.

Public broadcasting's sole reason for existence is public service. When Congress enacted the Public Broadcasting Act of 1967, it made this clear. The act declared that improved public broadcasting was a matter of national importance and would help raise the educational level and improve the public welfare of the nation.

Both President Richard M. Nixon and President Lyndon B. Johnson have lent their support to this objective.

During its relatively short existence, public broadcasting has enriched the lives of millions of Americans, at home and in schools. Indeed, according to a recent national survey, public television alone has 40 million regular viewers. And no wonder. On the national, regional and local levels, public television offers a diversity of high-grade programs, which are informative, stimulating entertaining.

In the past three years, Congress has appropriated $5 million, $23 million and $35 million respectively for public broadcasting. But the cost of operating is very high and the ability to raise money from private and philanthropic sources extremely limited.

What is needed at this juncture is strong bi-partisan support in Congress for prompt action on a plan that will assure public broadcasting the resources it needs to remain a stable, viable entity.

Mr. MACDONALD. Our next, and I think the last witness of the day, is the Reverend William Fore, executive director of the Broadcasting and Film Commission for the National Churches of Christ.

Reverend Fore, welcome. I make the same offer to you. If you would like to have your entire statement inserted in the record as if read at this point we will welcome it. If you would like to do that then perhaps you can highlight your testimony and answer questions.

STATEMENT OF REV. WILLIAM FORE, CHAIRMAN, CORPORATION FOR PUBLIC BROADCASTING ADVISORY COMMITTEE OF NATIONAL ORGANIZATION AND EXECUTIVE DIRECTOR, BROADCASTING AND FILM COMMISSION, NATIONAL COUNCIL OF CHURCHES OF CHRIST

Reverend FORE. I would appreciate having the statement included in the record. If I may, I will simply summarize three or four points.

Mr. MACDONALD. Without objection it is so ordered.

Reverend FORE. I appreciate the opportunity to be heard at this late hour.

I am speaking as the chairman of the Corporation for Public Broadcasting's Advisory Committee of National Organizations. I want to emphasize that role.

This is an advisory committee that now consists of some 36 organizations, very diverse in nature. The entire list of 36 you will find on the second to the last page of the prepared statement. It is an extremely diverse group including the AFL-CIO, the American Bar Association, the General Federation of Women's Clubs, the NAM, the Southern Baptist Convention and many others. We have worked together now for 2½ years very closely in areas of policy and program consultation with the officers and members of the staff of the Corporation. Out of this very successful process of involvement and cooperation and advice we come today with three major points having to do with the bill.

First, we simply want to say to you that from the perspective of these 36 organizations acting in an advisory capacity, organizations representing a very, very large number of people in the country, we feel that our advice has been honestly sought and has been responsibly acted upon. We feel, in other words, that our committee is a very useful channel by which the Corporation listens to a broad cross-section of the public speaking in the public interest.

The second point is that our group in its many discussions has emphasized time and again that public broadcasting must continue to move forward in the area of information public affairs, by bringing people a better understanding of the political process, for example, at the local and regional and national levels, that is not always possible in depth coverage that our group feels needs to be made. We believe this will require an imaginative effort, in addition to the significant local and regional programing which has been proposed, for example, this afternoon. We believe there must be strong national effort at this, as well as local and regional.

Finally, at the last meeting of our committee, 31 of the 36 delegates, that is all of those who were present and voting, endorsed a resolution in support of your bill, H.R. 11807. I can also report that subsequent to that, 14 of the organizations participating in the committee are now on record officially in support of the concept of long-range financing for the CPB.

I think you may agree that in the light of the difficulty of obtaining any resolution from many of these organizations that this is a rather remarkable record of public endorsement, of thoughtful public endorsement for the concept of public broadcasting, of long-range financing, and of this particular bill. It was done after a great deal of thought given to a recommendation from a subcommittee which itself had gone into it in great detail.

So I can say to you it does not come simply as a general endorsement of the concept of public broadcasting but as strong support for your bill.

That concludes the essence of the prepared statement, but I would be glad to answer any questions you might have.

(Reverend Fore's prepared statement follows:)

Statement of Rev. William F. Fore, Chairman, Corporation for Public Broadcasting Advisory Committee of National Organizations and Executive Director, Broadcasting and Film Commission, National Council of Churches of Christ

Mr. Chairman, I appreciate the opportunity to appear before you today as Chairman of the Corporation for Public Broadcasting's Advisory Committee of National Organizations. This Committee was constituted two and one-half years ago. It consists of the major national voluntary, professional, religious and education organizations; the purpose is to assure that a broad range of interest groups have adequate opportunity to provide counsel to the CPB in matters of policy and programming. The Advisory Committee at present has 36 organizations represented on it, reflecting such diverse interests and points of view as the AFL-CIO, American Bar Association, General Federation of Women's Clubs, National Association of Manufacturers, National Education Association, National Grange, National Urban League, and the Southern Baptist Convention. (A full list of the current members is attached.)

My report to you is a reflection of our Committee's experience thus far in observing firsthand the direction being taken by public broadcasting in general and in working with the President and staff of CPB on a variety of specific projects.

In my professional capacity as Executive Director of the Broadcasting and Film Commission of the National Council of Churches, I was one of a delegation which talked with Mr. Pace during the earliest days of the Corporation, and he shared our view that a wide variety of voices should be heard in the councils of public broadcasting. I also remember vividly the first working session of the Advisory Committee, in the fall of 1969, when we saw a special preview of two programs that were to begin the fall season. One was a new approach to the airing of national issues called "The Advocates" and the other was a new children's program entitled "Sesame Street."

And at that very first meeting, the national organizations became involved in an effort to make public television and radio a catalyst for citizen opinion and action on major public issues. We participated in shaping the local television "town meetings" in twelve cities around the country during the 1969 White House Conference of Food, Nutrition and Health. The results of this first effort demonstrated to us a very important fact. We saw that public broadcasting has a unique potential for doing much more than simply defining or describing public issues. We recognized that by joining creative programming with citizen involvement, public stations can provide direction and impetus for action as well.

Then during the fall of 1970, representatives of public television station WQED presented to our Committee their tentative plans for a national program series, "The Turned On Crisis," designed to mobilize citizens to combat drug abuse. Our Committee responded immediately to this proposal, and several of our member organizations began working directly with the production staff in the development of a national series with programs for both in-school and home viewing. Eventually, over half of the Advisory Committee organizations played a significant role in the utilization of this series in local communities, and the reports of its impact from the stations have demonstrated dramatically the potential for public broadcasters to work successfully with citizen leaders in such projects.

And in recent months, staff members and consultants from our Advisory Committee organizations have spent hundreds of hours working directly with public broadcasting producers to develop national programming dealing with such subjects as criminal justice, early childhood education, environmental education and local government problems.

However, Mr. Chairman, I would not want to leave the impression that our Committee is involved only in carrying out of public broadcasting projects. In April of last year, for example, the staff of CPB made a presentation of its general priorities for national programming designed to meet specific educational needs. This presentation preceded finalization of these priorities for action by the CPB Board. After thorough discussion, we did give our approval to these priorities which identified an adult education project as first on the list for action. During the next several months, member organizations were deeply involved in the shaping of the concept and utilization plans for this project, now called the Adult Learning Program Service (ALPS). And only last month our Committee endorsed a resolution urging the CPB Board to move ahead with the ALPS project.

As the Committee has matured, we have become increasingly active in dealing with basic policy issues which will affect public broadcasting—and in fact, all of broadcasting—in the future. In a resolution adopted early last year by an overwhelming majority of the delegates, the CPB Advisory Committee spelled out a series of steps needed to assure that cable television achieves its public service potential. One of our Advisory Committee delegates, Dr. Harold Wigren of the National Education Association, credits this action with helping to inspire the formation of Publi-Cable, now widely recognized as one of the most important national voices for the public interest potential of cable.

The steady expansion of our involvement in the work of CPB has warranted the formation of several working subcommittees of the Advisory Committee. These subcommittees provide recommendations in such areas as broadcasting policy, program evaluation, research and education programming. A member of the professional staff of CPB has devoted most of his time to the work of the Advisory Committee since its formation, and the meetings of these subcommittees give regular opportunities for members of the national organizations to offer recommendations to members of the CPB staff as well as to PBS, National Public Radio and individual producers.

On occasion, we have had to recommend a change of course in CPB planning. Recently, for example, the Committee took issue with a new CPB program to provide development funds for new or expanded public radio stations—because that program was limited to applicants from major urban markets. Our concern for rural coverage prompted a re-examination of the CPB Policy in this area, and at our meeting last month it was reported that the Corporation has revised its earlier development grant program to include communities of all sizes.

Mr. Chairman, it is sometimes dangerous to try to speak with authority for even one organization, much less 36 of the diverse nature represented within our Committee. However, our regular meetings and communications over the past two years does, I believe, allow me to draw at least a few conclusions about our Committee's views on the present status and future development of public broadcasting.

First, our involvement with Mr. Macy and other leaders of the Corporation for Public Broadcasting has convinced us that they are serious in their commitment to have many voices represented in the policy and programming councils of public broadcasting. Not only has our Committee expanded in size and diversity, the amount of time devoted to it by most delegates—and other within their organizations—continues to expand steadily. We believe that our advice is honestly sought after and is responsibly acted upon.

Second, we have been pleased by the continuous improvement in the quality and diversity of national programming offered to the American people through the Public Broadcasting Service and National Public Radio. As these programs make public broadcasting more visible, predictably they have come under attack from some sources, including some in high positions. And while we endorse the Corporation's commitment to provide significantly greater financial assistance directly to individual stations, we believe it would be irresponsible for public broadcasting to do this at the risk of reducing its present level of high quality national programming. In the meetings of our national organizations, the delegates have said time and again that public broadcasting must continue to move forward in the areas of information and public affairs—for example, by bringing the people a better understanding of the political process at local, state and nationa levels—not by apting the commercial stations—but by providing a depth of coverage and insight not possible on the 6 o'clock news or an occasional special. This, we believe, will require a major national effort as well as significant local and regional programming.

Third, we have come to realize much more fully the potential of public broadcasting, not only in fulfilling its present role, but [illegible] meeting many new opportunities with the aid of new technologies such as cable and satellite communication. However, we also realize that to fulfill this potential, public broadcasting must receive sufficient resources to do the job. For this reason we believe that *the concept of long-range financing is absolutely essential*, both to allow for the kind of planning required to produce quality programming, and to assure that the future of this vital national resource is not compromised by political pressure or expediency. Accordingly, I am pleased to report to you, Mr. Chairman, that 31 of the 36 delegates to our Advisory Committee—all of those voting—have endorsed a resolution in support of H.R. 11807. We believe this bill will provide a healthy and much needed beginning toward the full development of public broadcasting to serve all of the American people. In addition to this expression by the individual delegates, I can report that 14 of the organizations participating in the Advisory Committee are now on record officially in support of the concept of long-range financing for the Corporation for Public Broadcasting. In the light of the difficulty of obtaining a resolution of any kind from many of these organizations, I believe this is a truly remarkable record of public support for the idea of long-range financing.

Lists of the individual delegates who endorsed our Advisory Committee resolution and those Advisory Committee organizations officially supporting long-range financing for CPB are attached to the transcript of my testimony. I have had the chance to work with organizations of this nature for many years, and I think you can appreciate the significance of the fact that such a diverse group of individuals and organizations have arrived at a consensus on an important public issue.

During the coming months, our Advisory Committee will continue as an active and, we hope, effective, watchdog for a wide variety of interests and sectors among the American people. I have asked the Vice Chairman of our Committee, Mr. Lewis Timberlake, former National Vice President of the U.S. Jaycees, to recommend any steps needed to assure that we have adequate access to both the Board and staff of CPB. Further, if we need new members—or even a new form of organization to be effective—I am confident that we will have the support of the Corporation in this effort.

We have been encouraged by the progress of public broadcasting both nationally and in the states and local communities, during the past three years. We applaud you, Mr. Chairman, for your continuing leadership in seeking to assure that this progress is sustained and accelerated. However, it is my own view that if we do not build on the momentum we have achieved, much of the contribution which could be made by public broadcasting in the future will be irretrievably lost. We trust that this subcommittee, and ultimately the total Congress, will act promptly to protect and improve this vital national resource, by insuring long term financing for public broadcasting.

RESOLUTION ENACTED BY CPB ADVISORY COMMITTEE OF NATIONAL ORGANIZATIONS, JANUARY 11, 1972

Whereas Congress, by enactment of the Public Broadcasting Act of 1967, declared that involving public broadcasting as "an expression of diversity and excellence" was a matter of national importance, that would help raise the educational level and public welfare of the nation generally, and;

Whereas, in 1967, the Carnegie Commission urged that the Corporation for Public Broadcasting be financed on a long-term basis in order to permit its operation to be free from "political interference", and;

Whereas, the full promise of public broadcasting cannot be achieved until a plan for permanent financing is put into effect, and continued delay in providing such long-range financing threatens the very existence of public broadcasting, and;

Whereas, the Corporation has provided substantial financial assistance to all qualified public television and radio stations through its program of annual community service grants, and recognizes the need for a sizeable increase in this kind of support in order to strengthen local stations; Therefore be it

Resolved, That the Advisory Committee of National Organizations of the Corporation for Public Broadcasting urges Congress and the Executive Branch to proceed as rapidly as possible to provide long-range financing for the Corporation for Public Broadcasting in order to enable CPB to effectively build and strengthen the public broadcasting system that best serves the greatest number of American listeners and viewers; and be it further

Resolved, That those constituent organizations which have representatives on the Advisory Committee of National Organizations, and which are in a position to do so, be asked to endorse and advocate the concept of long-range financing for CPB and the adoption of H.R. 11807, "Public Broadcasting Act of 1971" or similar legislation which provides long-term financing for the Corporation for Public Broadcasting. In the event that long-range financing cannot be enacted before June 30, 1972, be it further resolved that constituent organizations urge adoption of S. 2765, amended to increase the proposed Federal appropriation to at least $40 million in order to meet the immediate needs of the Corporation and public radio and television stations.

Individual delegates from the following organizations voted for the CPB Advisory Committee resolution on long-range financing for CPB introduced at the January 11 meeting of the Advisory Committee:

AFL–CIO.
American Bar Association.
American Association of University Women.
American Jewish Committee.
Associated Councils of the Arts.
Boy Scouts of America.
Consumer Federation of America.
General Federation of Women's Clubs.
Girl Scouts of America.
League of Women Voters.
National Association of Counties.
National Association of Manufacturers.
National Audubon Society.
National Conference of Christians and Jews.
National Congress of Parents and Teachers.
National Council of Churches of Christ.
National Council of Negro Women.
National Council of Senior Citizens.
National Council of Women.
National Education Association.
National Grange.
National 4-H Club Foundation.
National League of Cities.
National Legal Aid and Defender Association.
National Recreation and Park Association.
National Urban League.
Southern Baptist Convention.
U.S. Catholic Conference.
U.S. Conference of Mayors.
U.S. Jaycees.
U.S. National Student Association.

Delegates from the other five member organizations—Association of the Junior Leagues of America, Council of State Governments, NAACP, National Wildlife Federation, United Auto Workers—were not present to vote on the Advisory Committee resolution.

List of CPB Advisory Committee Organizations Endorsing Long-Range Financing

AFL–CIO.
American Association of University Women.
American Bar Association.
American Jewish Committee.
Consumer Federation of America.
National Association of Counties.
National Council of Churches Broadcasting and Film Commission.
National Council of Senior Citizens.
National Council of Women.
National Education Association.
National Grange.
National League of Cities.
United Auto Workers.
U.S. Conference of Mayors.

Mr. Macdonald. First of all, it is not an apology because you have been here and you understand how things have gone all day. Certainly you were not relegated to be the last witness, but we certainly appreciate your time and your effort to come here and testify.

In your prepared statement do you have a list of all the people that you represent at this moment?

Reverend Fore. Yes, sir. We list all of the organizations. If you wish we can also provide for you the names of the officers and staff of those organizations.

Mr. Macdonald. That is not exactly what I had in mind, but just to have for the record the number of people who are in support of public broadcasting and this bill I think would be very helpful indeed.

We welcome you. It has been a long day for you and certainly for us because we have had to go back and forth and vote, as you know.

Do you have any amendments or any thoughts as to how the bill might be improved? Or are you satisfied with the bill as it is?

Reverend Fore. After the lengthy discussion in answer to that kind of question this afternoon, I hesitate to just reply no, but I must.

Mr. Macdonald. Off the record.

(Discussion off the record.)

Mr. Macdonald. On the record.

Is there any way you think it could be improved?

Reverend Fore. Our feeling is that the bill you propose is an excellent one. We believe in the Corporation—in the 15 who are designated by the President with the advice and consent of the Senate—to be able to make responsible decisions within the formula that you have provided. This is why I went into a little of the detail that I did, because from 2½ years of rather intimate experience with the month-to-month and week-to-week kind of policy and program decisions that are being made, we feel that every effort has been made to genuinely solicit the interest and concern and priorities and advice of these public groups and to respond responsibly to them. We feel it is a thoroughly responsible operation and that it could perform its function within the purview of your bill.

Mr. Macdonald. My last question: Do you have any knowledge of any conflict between the local stations and the Corporation, in allocating of funds, programs or anything else?

Reverend Fore. Yes, there is always going to be a tug and pull between any form of centralization and decentralization. It happens in the Congress, in the States and so on. Yes, I am aware that there is this pull. I think it is a healthy pull. I don't feel, and this is only my personal experience, that there is any serious mistrust among or between the parties. I think that was being said this afternoon. Everybody wants a little larger piece of the pie, to be sure. But I don't think there is any basic distrust or serious problem between the two.

Mr. Macdonald. Mistrust is a sort of legal word. Is there any control or attempt by the Federal Government to control in any way programing over the public broadcasting system that you know of?

Reverend Fore. No.

Mr. Macdonald. Thank you. We appreciate your coming here.

There will be further questions by Mr. Tiernan and, I am sure, Mr. Brown.

Mr. Tiernan. I also share the comments of the chairman with regard to your patience.

How long do you think we can be patient with regard to long-term financing of this corporate setup? Your resolution was adopted in January of this year. Is that the first time you have passed a resolution with regard to the need for establishing long-term financing to insulate this Corporation from political influence or any influence?

Reverend Fore. That is the first time the full advisory committee has taken such an action. A number of the groups within the committee had taken that action long before. The National Council of Churches took that action when we testified in support of the Public Broadcasting Act of 1967; we insisted it must have long-term insulation.

Mr. Tiernan. How long do you think we should wait before establishing that insulation?

Reverend Fore. Of course we shouldn't wait but we may be forced to wait. I think insulation is imperative. It seems to me that you reach a critical point beyond which you can't really go and hope to achieve long-term financing. That is why it seems imperative to our committee. We began to feel the urgency of the need to get this kind of long-term financing this year rather than establish an even longer precedent of year by year financing.

Mr. Tiernan. In the language of the resolution, it says that the executive branch proceed as rapidly as possible to provide long-range financing. When we were in here 2 years ago with regard to authorization of the Public Broadcasting Corporation, I insisted that we not go more than one year authorizing funds for the Corporation, not that I was not in support of it but merely because I can see the day that they are going to get themselves in a situation where it would be extremely difficult for us to get legislation through to create the insulation that I feel is needed if they are going to meet the mandate the Congress set forth in the establishment of the Corporation.

I am supportive of the chairman's bill—I hesitate to make the next statement—but it seems to me if you authorize 5 more years, at the end of the 5 years—well, we need a little more time, you know, we can't get up a plan like this overnight.

You know, a year ago I bit the bullet and I proposed a tax on television sets. That didn't go over too well with the communication workers. They reprimanded me for that. It seems to me that people like yourself, conscious and dedicated citizens who have obviously spent a great deal of time, your contacts with the chairman of the board, your experience with these other groups and the need, I am sure you are aware of the need to insulate this type of media from pressure, I would think that you would be an ideal advocate and your group would be certainly a group that could exert a great deal of pressure in view of the fact that you have substantial groups, the AFL–CIO, the American Association of University Women, the American Bar Association, the American Jewish Committee, Consumer Federation of America, National Council of Senior Citizens, United Auto Workers, U.S. Conference of Mayors, and your own group, the National Council of Churches.

It would seem to me that it is only going to be because of actions by groups outside the Congress that you are going to get it. I don't think you are going to get it unless we get a groundswell from outside this Congress, outside the Government to see this legislation through.

Reverend **Fore.** Yes, sir. I agree with your statement in general and can say that our committee as such has only been in operation 2½ years. It has grown from 18 members to 36. We only just this year began to develop subcommittees where we could handle some issues like this.

I recently appointed a subcommittee on policy issues. And the first issue had to do with this particular bill. One of the next issues we are going to discuss has to do with the question of long-term financing. So we are very cognizant of that problem and are trying to move on in our own way as well.

Mr. **Tiernan.** I don't mean to indicate the shift of burden but the chairman has been interested in this, I have been interested and many Members of Congress have. There is a reluctance to give up the strings of eventual review and whatnot by the Congress of an agency or corporation of this size and I think the longer we postpone that day it is going to be much more difficult as I see it. Each year there seems to be more and more controversy as to what is put on the air, how it is put on and where it is being filmed and shown and whatnot. It seems to me we are possibly not helping the situation, really, by continuing this annual authorization process but I agree with you there doesn't seem to be much hope for us to do it any other way until we get an administration or people outside the Government, itself, demanding and requiring this type of thing.

Thank you very much for your time.

Mr. **Macdonald.** Mr. Brown.

Mr. **Brown.** Mr. Fore, you said that you had confidence in these 15 men who are the board of the Corporation for Public Broadcasting. Do you mean you have confidence in them as men, as individuals, specifically these 15?

Reverend **Fore.** No, sir. I am speaking of the concepts of an authority such as the one created by this bill, 15 men appointed by the President with the advice and consent of the Senate, and the creation of a quasi-governmental agency such as the Corporation for Public Broadcasting with its staff.

I also have confidence, as far as I have been able to ascertain, in the general policy directions of the Corporation, but even more a great deal of confidence in the actual workings of the staff.

Mr. BROWN. So you would have confidence in any 15 men appointed for the functions, I gather, from what you have said.

Reverend FORE. Government always involves people. I might have varying judgments about individuals. I can think of no better way in general to create this kind of organization than the way it has been created.

Mr. BROWN. Then it would be 15 men appointed by any President.

Reverend FORE. That is the way our form of government works.

Mr. BROWN. No, I don't think it is. That is the whole point of this discussion. Really, our Government works by laws. The way this law is drawn one must have confidence in the 15 men appointed by the President and confirmed by the Senate if you are going to give them $20 million or $150 million or $500 million to spend in this way, because the law as it is now drawn, the Public Broadcasting Act of 1967 which we passed on, which you testified is drawn in such a way that we must have confidence in these 15 men, whoever appoints them and whoever they are, because they are not required presently to pass through any money to anybody for anything. They are not required to go out and get programs that are going to be acceptable to anybody on any network or anything else. That is my concern in this legislation.

Does that offer any concern to you?

Reverend FORE. Yes. I can see that there is a problem. However, I think there is a greater danger in having a rigid formula. There always is some danger when we put our trust in men. There always has to be that danger. But I think there is a greater danger in losing the flexibility that we have now by having the Corporation make the decision, and instead have it be done by a rigid law that won't allow the flexibility that we need in the growth of public broadcasting.

Mr. BROWN. Because if we pass the money back to the local stations, the local stations might spend the money irresponsibly.

Reverend FORE. I wasn't speaking of the question of how much should go back to the local station.

Mr. BROWN. This is what I am talking about. You see, this is the choice. The chairman and I both have pieces of legislation in that will require, and it has been suggested by some people in the administration, that the funding be given back to the local station as a matter of law, not as a matter of convenience, although it is encouraged in the basic legislation but it is not required. It is authorized but not required in the law.

Now our legislation would require—in different degrees but nevertheless would still require. Do you see some flaw in that?

Reverend FORE. I think the bill under consideration, the so-called Macdonald bill, is a good compromise by requiring a certain minimum percentage to go back to the local but also leaving it flexible for the Corporation to decide whether it should be much more than that, how much more, and so on. I think we need the flexibility.

Mr. BROWN. In this regard, both our bills are the same because the chairman provides for it to go to the Corporation and pass through some of it as a matter of requirement to the local station. Then do more if they wish. My bill requires that the Corporation get some financing from the Federal Government and they can pass some of that through if they wish, but it requires also that the local station would get it directly through another technical vehicle—HEW. But I am trying to figure out here your feeling about these 15 men, or this appointive authority, because I don't know whether your concern is in dealing with the problems at the national level as opposed to the local level, or that we ought to do both.

Reverend Fore. I am strongly in favor of increasing the facilities and programing at the local and regional level. This is extremely important. I am just as concerned if not more concerned, to do this at the national levels as well.

Now as to how it is to be done, I think that the Corporation for Public Broadcasting, which after all is in the broadcasting area of expertise, that is, it has broadcasting experts in the Corporation on the staff and they deal with local stations—I did not mean to imply that they are in the broadcasting business like CBS, but they have the people on their staff who deal with broadcasting, research and broadcasting and so on—it seems to me, and I think this reflects the views of the committee, that these are the people who rightly ought to make the decisions as to which places need help the most, and so on, within a general floor of the 30 percentage level.

Mr. Brown. How is your committee made up? How are they selected?

Reverend Fore. Each national organization determines who it shall send. Some are elected, others are designated. Others are put on by virtue of their staff relationship to broadcasting or some other way.

Mr. Brown. You are elected by a vote of the whole representative group?

Reverend Fore. Yes, sir.

Mr. Brown. Thank you.

Mr. Macdonald. Thank you very much. I appreciate your being here. I think you have been one of the best witnesses that I have heard as far as being cogent and direct. I don't apologize but you understand I just wish that more members of the committee could have heard your entire testimony, but I am sure they will read it in the record. I personally appreciate your being here. You have made a great contribution to the committee.

Reverend Fore. Thank you.

Mr. Macdonald. We thank you for being here.

With that we will recess until tomorrow morning at 10 o'clock.

(Whereupon, at 7:05 p.m. the committee was adjourned, to reconvene at 10 a.m. Thursday, February 3, 1972.)

FINANCING FOR PUBLIC BROADCASTING—1972

THURSDAY, FEBRUARY 3, 1972

House of Representatives,
Subcommittee on Communications and Power,
Committee on Interstate and Foreign Commerce,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. Torbert H. Macdonald (chairman) presiding.

Mr. Macdonald. The hearing will come to order.

We are continuing hearings on H.R. 11807 and H.R. 7443 to provide for improved financing for the Corporation for Public Broadcasting, and for other purposes.

I would like to welcome all of you to our hearings, and our witnesses.

We are pleased to have as our first witness today, Senator Robert P. Griffin of the State of Michigan.

Welcome, Senator Griffin, it is good of you to come over to this side of the Congress to express your views.

Please be seated. We shall be pleased to hear you now.

STATEMENT OF HON. ROBERT P. GRIFFIN, A U.S. SENATOR FROM THE STATE OF MICHIGAN

Senator Griffin. Mr. Chairman and members of the subcommittee, I appreciate the opportunity to present this statement in connection with these hearings on public broadcasting legislation. The purpose of my statement is to urge the subcommittee to adopt an amendment to the Public Broadcasting Act which would insure greater objectivity and balance in the public affairs programing of noncommercial broadcasting.

Briefly, the amendment would require public broadcast stations which receive assistance under title II of the Public Broadcasting Act to keep records, including audio recordings, for a reasonable length of time of public affairs programs which they broadcast. The Federal Communications Commission would be charged with the responsibility of determining how long the records and recordings should be kept and, in turn, would make these materials available at cost to the public.

The amendment I am suggesting was incorporated in the Senate version of the 1970 public broadcasting authorization bill. Although the provision was deleted in conference, the managers on the part of the House stated in the conference report that the proposal "should be the subject of hearings in the next session of Congress." A copy of the amendment and a description of the amendment contained in the Senate Commerce Committee report are attached. I would appreciate having these items included in the hearing record following my statement.

In creating the Corporation for Public Broadcasting the Congress found that—

> (1) the development of noncommercial broadcasting depended on "freedom, imagination, and initiative on both the local and national levels";
>
> (2) public broadcast programing should be "responsive to the interest of people both in particular localities and throughout the United States"; and
>
> (3) public broadcasting should be made "available to all citizens of the United States."

One can certainly conclude that there is more than enough freedom, imagination, and initiative in public broadcasting at the national level. On the other hand, there is very little opportunity for such freedom, imagination, or initiative at the local level.

It might also be said that public broadcasting service is being made available to all the citizens of the United States. The more important question, however, is whether the present programing fare is responsive to all the people of the United States. There is little doubt in my mind that the answer to this question is in the negative.

In this connection, it is somewhat interesting to note the recent comment made by Arthur Singer, one of the principal organizers of the Carnegie study on educational television. Mr. Singer believes the Carnegie Commission Report called for pluralism and localism in the public broadcasting system. He concludes, however, that "the present system is not pluralistic. It is dominated by the Corporation for Public Broadcasting, the Public Broadcasting Service and the Ford Foundation. What goes on the air on the system * * * is what these institutions approve." I certainly share Mr. Singer's sentiments.

The influence of these three entities over public broadcasting is clearly demonstrated by the fact that from 1968 to 1970 the number of broadcast hours carrying nationally produced programs rose 43 percent while there was a 13-percent decrease in local production.

One way to correct this imbalance is to require that a substantial share of Federal funding be channeled directly to local stations. You already have proposals before you which would accomplish that objective.

Another way to make public broadcasting more objective and more responsive to local needs is to provide access and inspection of the programing offered by the system. My amendment would accomplish this objective.

There are two provisions in the Public Broadcasting Act of 1967 which, in effect, spell out a Fairness Doctrine for noncommercial broadcasting.

In the provision establishing the Corporation for Public Broadcasting, and what is now section 396(g)(1)(A) of the Communications Act of 1934, it states that in the development of high quality programing for noncommercial educational broadcasting there must be "strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

What is now Section 399 of the Communications Act of 1934, and the section which my amendment would amend, provides that:

> No commercial educational broadcasting station may engage in editorializing or may support or oppose any candidate for political office.

Serious question exists, however, as to the effectiveness of these provisions. At present, there is no procedure whereby broadcasts of public interest can be monitored to insure that both the spirit and the letter of the law are carried out.

It is inconceivable to me how these provisions of the Public Broadcasting Act can ever have any meaning when the public is denied the right to examine what is broadcast over government regulated air waves by broadcasters who are subsidized with public funds. If any person can go to a public library and inspect newspaper files dating back several decades, is it too much to expect public broadcasters to retain copies of their program tapes for a much shorter period of time?

One only has to recall the numerous times that a newspaper is publicly brought to task for apparent inconsistencies in editorial news reporting to realize the effectiveness of keeping newspaper statements and news reporting to realize in editorial statements and copies on file. In the case of newspapers we have a nonregulated industry. In the case of public broadcasting, we not only have government regulation, but also government subsidy.

Of course, I am aware of the fact that the Corporation for Public Broadcasting has recently reiterated its intent to be objective and fair in public affairs programing. I am also aware that the Corporation can require a station to provide copies of all programs to the Corporation which are underwritten by grants from the latter.

But this procedure needs to be expanded so that all the public can have a reasonable opportunity to review controversial programs. Undoubtedly, one of the reasons why there is so much vague criticism of network news and public affairs presentations is that there is no effective way to document such criticism.

I realize that some broadcasters may object to the time and cost of keeping copies of the audio tape of all programs of public importance. However, I believe the amendment is structured in a way which will minimize the burden on the local broadcaster.

First, the amendment would provide that records and audio recordings be kept only for a reasonable period of time as determined by the FCC. Furthermore, the 1970 Report of the Senate Commerce Committee suggested a time of at least 3 months for the recordings to be kept. In some instances a longer time might be in order, such as for a continuing series of programs on a particular subject.

Second, recording of programs such as "Sesame Street" would not have to be kept. Of course, differences may arise as to what constitutes a program involving an issue of public importance. While there will be gray areas, it would be my hope that the FCC in issuing regulations would err on the side of requiring too much.

Third, any member of the public requesting an audio recording would be required to pay for the cost of reproducing the tape.

Finally, I might add that if, in fact, the cost to the broadcaster becomes too great I, for one, would support additional Federal funding for this purpose.

In closing let me emphasize, Mr. Chairman, that this amendment is designed to lessen the likelihood of political control over public broadcasting. This point was stressed in the Report of the Senate Commerce Committee on the 1970 authorization bill and I believe it bears repeating here:

> In order to assure that the freedom of the Corporation and the stations from outside influence remains unassailed, your Committee believes that the noncommercial stations should keep adequate records including audio recordings of programs they broadcast that involve public affairs. In that way, if any one seriously questions a station's impartiality or fairness, the record is there and any doubts may be quickly resolved.
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> Your committee also wishes to make it understood that this amendment is in no way intended to infringe on the autonomy of local stations or interfere with program production or content.

Mr. Chairman, I strongly urge your subcommittee to adopt the amendment I have proposed.

(The attachments referred to follow:)

PROPOSED AMENDMENT

Section 399 of the Communications Act of 1934 is amended by inserting "(a)" after "Sec. 399." and by inserting at the end thereof a new subsection as follows:

"(b) In order to assure compliance with this section and with other provisions of this Act requiring fair treatment of matters in the public interest, the Commission shall prescribe such regulations as may be appropriate to require that broadcast stations which receive assistance under this title (1) keep records, including audio recordings, for a reasonable period of time of each program broadcast which involves an issue of public importance, and (2) furnish such records to the Commission at its request. The Commission shall make such records available to the public at the requesting party's cost under such circumstances and conditions as may be reasonable and appropriate."

The following is an excerpt from the report of the Senate Commerce Committee on the "Public Broadcasting Financing Act of 1970" (Senate Report 91–869):

AMENDMENT

When the Public Broadcast Act was being considered, fears were expressed that the government might influence public broadcasting. As a consequence, the intention that the Corporation and the individual stations be completely free of any outside influence, governmental or otherwise, was expressed in the strongest terms possible by the Congress. The Corporation and the stations are and should be free.

In order to assure that this freedom remains unassailed, your Committee believes that the noncommercial stations should keep adequate records including audio recordings of programs they broadcast that involve public affairs. In that way, if any one seriously questions a station's impartiality or fairness, the record is there and any doubts may be quickly resolved.

Your committee notes that noncommercial stations are presently required by the Corporation for Public Broadcasting to provide a copy of any program to the Corporation which has been specifically underwritten by a grant from the Corporation.

The amendment adopted herein is expressly intended to require noncommercial educational broadcast stations which received assistance under Title II of the Public Broadcasting Act to keep records, including audio recordings, for a reasonable length of time of programs they broadcast involving issues of public importance, and to furnish them to the FCC if requested to do so. The Commission in turn would make them available to the requesting party at his expense under such circumstances and conditions as may be reasonable and appropriate. In other words, where a request is made for an audio recording, the requesting party shall be responsible to the station for the cost for reproducing such recording deemed by the Commission to be reasonable and proper.

It is to be emphasized that the amendment only applies to programs involving issues of public importance such as public affairs and news type programs, and not to programs such as "Sesame Street," "Misterogers Neighborhood," etc.

In order to assure that an onerous burden is not imposed by this amendment, your committee feels that the records kept pursuant to it should be retained for a reasonable length of time, at least three months.

Moreover, where a program is broadcast over many stations such as "The Advocates," it is expected that the Federal Communications Commission will adopt appropriate procedures for determining who will be charged with the responsibility of keeping the required records in individual cases.

The committee wishes to make it clear that any member of the public may make the appropriate request for the audio recordings required to be kept under this amendment.

Your committee also wishes to make it understood that this amendment is in no way intended to infringe on the autonomy of local stations or interfere with program production or content.

Mr. MACDONALD. Thank you, Senator Griffin, for your thoughtful statement and for your presence here today. I know I speak for the entire subcommittee when I say it is greatly appreciated. Thank you, again, Senator.

Our next witness this morning is Dean Burch, Chairman, Federal Communications Commission.

STATEMENT OF HON. DEAN BURCH, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION

Mr. BURCH. Thank you very much, Mr. Chairman.

Mr. Chairman, I welcome this opportunity to appear here today to present the Commission's views on H.R. 7443 and H.R. 11807. Although the bills are somewhat different with respect to the formula which would be used in determining the amount of Federal support for the Corporation for Public Broadcasting, both bills provide for much needed long-term financing for public broadcasting. The Commission has in the past repeatedly expressed the need for long-term financing, and we again express that need today.

The subcommittee will recall that the Carnegie Commission recommended establishment of permanent financing of a very substantial order at an early date.

H.R. 7443 provides for the establishment of a public broadcasting fund and provides, further, that there would be authorized to be appropriated to such fund each fiscal year an amount equal to twice the amount that non-Federal public broadcasting support in the second preceding year exceeded $50 million.

There are, however, limits placed on the amount of Federal support through fiscal year 1977 should the amount determined pursuant to the formula exceed the limit.

The limits range progressively from $60 million in fiscal year 1973 to $140 million in fiscal year 1977. H.R. 7443 provides that all of the money in the fund will go each year to the Corporation for Public Broadcasting.

H.R. 11807 also establishes a public broadcasting fund and appropriates to the fund $65 million for fiscal year 1973 and amounts which together with the balance in the fund at the end of the preceding fiscal year will bring the fund to progressively higher levels through fiscal year 1977, at which time the level is to be $160 million.

The distribution from the fund to the Corporation for Public Broadcasting would be computed under a formula which provides for a fixed amount each year plus an amount equal to one-half of non-Federal support during the second preceding fiscal year. with a total limit applicable should the formula computation exceed such limit.

H.R. 11807 provides additionally that not less than 30 percent of the amount received by the Corporation from the fund shall be distributed to public broadcasters subject to certain standards and adds to the specifically named authorized activities of the Corporation the encouragement of "the utilization and development of all forms of telecommunications facilities, including new technology, for the production and distribution of educational radio and television programs."

The Commission would like to stress. as it has in the past. the importance of obtaining for the Corporation at the earliest possible time a permanent financial base not dependent upon the annual appropriation process.

H.R. 11807 would accomplish this goal because it provides for an appropriation to a Public Broadcasting fund. The Commission also favors any plan which would stimulate increased contributions from private sources through the incentive offered by a Federal to non-Federal matching process.

Both bills contain such a plan. Under the plan provided for by H.R. 11807, the overall limits of $65 million for fiscal year 1973 and $90 million for 1974 would apply because the amount of non-Federal support is already known for fiscal year 1971 and is estimated to be well above $100 million in fiscal year 1972.

There is. therefore. no immediate incentive for increased non-Federal support in the remainder of fiscal year 1972. In fiscal years 1973 through 1975. however. the higher overall limits would allow the one-half to one matching provision of H.R. 11807 to provide incentive for non-Federal contributions to exceed present levels.

We note two additional provisions of H.R. 11807 which we endorse in concept. First. H.R. 11807 adds the encouragement of the use and development of new technology in all forms of facilities to the list of specifically authorized Corporation activities. A provision such as this underlines the importance of the utilization of all types of telecommunication facilities and the importance of the development of new technology.

There does appear to be some question. however. as to whether section 396(a) authorizes the Corporation to make use of distribution facilities other than broadcast facilities and the committee might want to consider some expansion of section 396(a). The Commission recognizes that in some cases the use of facilities such as CATV systems.

closed circuit television, and video tape cassettes may well be more useful than broadcasting in the dissemination of educational material.

Secondly, the provision of H.R. 11807 which requires that not less than 30 percent of the total amount received by the Corporation from the public broadcasting fund must be distributed to public broadcasters is consistent with the Commission's policy of supporting local broadcasting.

We have reserved television channels for noncommercial educational use and in making those reservations we considered the importance of providing a local educational outlet in as many areas as possible.

We do not consider ourselves expert with regard to the best formula which could be developed to match Federal funds with non-Federal contributions, or as to what specific amounts would be sufficient to accomplish the goal.

While we support, therefore, the financing purposes of both bills, we prefer H.R. 11807 because it appropriates the funds, encourages the development of all forms of telecommunication facilities in the dissemination of educational material, and provides for a 30 percent minimum flow-through to local public broadcasters.

Mr. Chairman, I would like to say I regret the absence this morning of Commissioner Rex Lee, who is our Education Commissioner, and who is really probably more knowledgeable in this field than any other member of the Commission.

He had a coronary occlusion on Christmas Day, and he is fortunately on his way to recovery, Mr. Chairman.

Mr. MACDONALD. We welcome you here once again.

I am not quite sure whether you endorse the bill or not.

Mr. BURCH. Mr. Chairman, I think the Commission has consistently stated to this subcommittee that we favor long-term financing for the Corporation for Public Broadcasting.

At the same time, we have always said we do not consider ourselves authorities on how you raise money for these purposes, simply because we have no expertise whatsoever in taxing, and in matching fund arrangements.

We do not handle any money like that at all. That is the disclaimer we must of necessity purport.

Mr. MACDONALD. Obviously you can disclaim if you want, but do you support the bill or not?

Mr. BURCH. I beg your pardon?

Mr. MACDONALD. Do you support the bill?

Mr. BURCH. H.R. 11807, yes. I thought I stated the Commission favors, of the two bills, H.R. 11807, and does support it, with the obvious reservation we are not authorities in the field of financing.

Mr. MACDONALD. Mr. Van Deerlin.

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

Are you comfortable in your dual role of representing the administration's position before the world in regard to broadcasting, and dealing with the Office of Telecommunications policy?

Mr. BURCH. Yes; I am comfortable, Mr. Van Deerlin.

I never considered that I was ever in the role of representing the administration's views on telecommunications.

We very honestly at the Commission consider ourselves as an independent regulatory agency.

We are often called an arm of Congress. Very candidly when I come to the Hill to testify adversely, I am sometimes called an arm of the Congress, but we consider ourselves an independent agency.

Mr. VAN DEERLIN. Do you feel your independence has in any way been intruded upon in the last couple of years?

Mr. BURCH. No. I am not unfamiliar with the points that you are raising, but I personally do not feel our independence has been intruded upon.

There is no question that we have received from OTP, as well as diverse other sources, information and suggestions, and recommendations, as to how we will resolve certain problems that we have before us.

We welcome suggestions from any source, particularly good suggestions, because in my opinion we deal with some of the most complex problems facing any regulatory agency at this time.

I do not feel that we have been given any intrusive treatment in my memory in any memorandum that has been handed to us, neither do I feel we are being subverted in any sense of the word.

Mr. VAN DEERLIN. Has Public Broadcasting been giving the Commission any special problems?

Mr. BURCH. No, sir; it has not.

I checked this morning, and we have never had any fairness complaints, for example, against educational stations that were serious enough to take any action on.

We did have one complaint about the State of Mississippi not carrying "Sesame Street."

That was squared away. We have had a continuing discussion which was ultimately resolved as to the amount that A.T. & T. could charge the Corporation for Public Broadcasting for interconnections, and that was made somewhat more difficult because the Congress in passing the legislation which authorized the Corporation for Public Broadcasting included a provision that said nothing in the act would prohibit the Commission from authorizing free or reduced rates, and the legislative history did not indicate to us whether it should be free or reduced.

We opted for the latter, and ultimately determined a formula whereby each year for 4 years CPB increased its amount of payment, but it is still a relatively small payment, considering the service they desire and will receive.

Mr. VAN DEERLIN. As for the record that has been established under the fairness doctrine, you say that there have been no serious complaints?

Mr. BURCH. Not from any public communications that we have had.

Mr. VAN DEERLIN. But you do get complaints from time to time, I know, in regard to commercial broadcasting.

Mr. BURCH. Yes, we do, we get a lot of them, but we have not had that sort of reaction to the education stations.

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

Mr. MACDONALD. Mr. Keith.

Mr. KEITH. Thank you, Mr. Chairman.

You proclaim great expertise in the area of public broadcasting, but personally, could you contribute anything to our enlightenment?

Are there any problems that have been brought to your attention informally, or otherwise that might be benefited by airing at this hearing?

Mr. BURCH. Mr. Keith, I suppose I have heard since I am in contact with Mr. Macy, other members of the CPB, I am not unaware of their great concern over getting permanent financing immediately.

Neither am I unaware of the fact it is a difficult field, and that the administration through Mr. Whitehead has been coping with the problem, and apparently, at least for this year, have not come forth with a bill.

I do think it is a very hard problem.

I think that there are very interesting questions from my point of view, more as a member of the public, who presumably would pay the tab, as to the appropriate role of CPB, as to the appropriate role of public broadcasting, but even personally, I do not think I could shed a great deal of light on those problems.

Mr. KEITH. Does the Commission share your attitude in this respect?

Are there moves within the Commission, at your meetings, to indicate that there is a minority that perhaps feels you should exercise more jurisdiction, or more professional interest?

Mr. BURCH. No, I would say that, as I pointed out, I wish Commissioner Lee were here, because he does do more of the educational thing.

I would suspect we always have a minority at the Commission and a majority, and you are going to hear this morning, after I finish, from my almost professional minority member, I am sure he will have lots of personal observations and expertise to bring to bear on the subject, but I do not think we have any great split at the Commission over whether we should regulate this subject more or less.

Mr. KEITH. We will await a more colorful contribution.

Mr. MACDONALD. Mr. Rooney.

Mr. ROONEY. Mr. Chairman, in your presentation this morning, you keep referring to matching funds.

We had Fred Friendly testify before this committee not too long ago, and he said the Ford Foundation would like to get out of it, they have contributed enough to get the CPB off the ground, and once it gets off the ground, they would like to put their money in other areas.

Yesterday some station managers testified that the money collected at the local level is constantly dwindling, and what they do need is more Federal help.

Mr. BURCH. I think, perhaps, Mr. Rooney, that from their point of view it is a very true statement.

One of the difficulties in any sort of project like this, if the Federal Government will simply fund the whole thing, it does increase the burden on the taxpayers.

If it is a matching formula, and it can be realistic, I would be inclined to encourage it, because there are people in this country, individuals, and others, including the Ford Foundation and other nonprofit organizations, who have in the past given substantial amounts of money to education, and I would somehow hate to see personally the Federal Government take over the entire obligation for the Public Broadcasting System.

I think it would almost necessarily take on some of the aspects of government, almost as civil service in the broacasting field, and I do not personally think that would be desirable.

If there is no alternative, if there simply are no funds coming from other sources, then I think the Congress would have to assess that.

Another thing is a number of States through their own legislative processes have put forward large amounts of money, which has gone into educational television, and I presume that will continue in the future.

Mr. Rooney. The money that Congress does appropriate, do you think it should remain in CPB and distributed to the local stations?

Mr. Burch. We support the flow-through. We always support the idea that some local stations should have some money of its own, and it should have a certain amount of independence as to how it should spend that money.

You could have a lot of arguments. Are we really looking for a fourth network. Just ABC, CBS, NBC or CPB, whatever you want to call it, which will compete for the audience at the same time, is this what we are looking for?

That is a subject that can be debated almost endlessly, but nevertheless, one of the things that concerns us at the Commission, with option time, and other rules in the commercial field, is to give the local broadcaster a feeling he is something other than a network button pusher, who relays what the network is giving him, and in the absence of money, there is very little that a local station can do, other than what it is fed over the network, and I think it would be a good idea, to allow these stations to address their local educational problems particularly.

Mr. Rooney. I have one other question. You stated earlier that OTP, and the FCC are working in close conjunction with one another, and you have no real differences of opinion.

Mr. Burch. I did not intend to say that. I think we have differences of opinion on a number of things. We are working closely.

Mr. Rooney. One is on CATV, but the other is on this national news controversy.

Do you think there is a controversial issue there, that is going to effect the future of CPB?

Mr. Burch. Are you talking about the public affairs programing?

Mr. Rooney. Yes.

Mr. Burch. Very candidly, I have not been involved in that at all. The one thing the Commission has held to rather steadfastly, in fact, in the face of some congressional opposition, avoided, is trying to get into the news field, either as a negative, or in a negative or positive way.

Mr. Rooney. Don't you think that under the act of 1934, the FCC Act if there is something wrong, if news that is being disseminated back into the boondocks that people normally would not pick up from Washington or New York or the large metropolitan areas, don't you think it is the Commission's responsibility to look into this, to see if there has been any wrongdoing?

Mr. Burch. In a number of cases, the only way we will look into news---

First of all, I think the only question that could arise in that kind of investigation, was the news handled properly, was it fair.

Mr. ROONEY. And you have never had any complaints.

Mr. BURCH. We have not had any complaints, but also in the news field, the Commission has never been the arbiter of what is true and what is false.

The only thing we will look into dealing with news, is when there is a complaint, that there is some offer that is false, and I do not think that anybody has suggested that is the problem now.

There may well be problems of bias, but we face that everyday, and we just simply do not get into it.

Mr. ROONEY. Thank you.

Mr. MACDONALD. Before I recognize Mr. Brown, what is the relationship between the Federal Communications Commission, and the office of Mr. Whitehead, that he heads up, which goes to the question that Mr. Rooney asked you?

Mr. BURCH. Let me say this, Mr. Chairman.

I think the FCC by statute is required to decide many issues of policy involving communications.

OTP it is my understanding is as an advisor to the President of the United States, as to the public interest concerns, inherent in communications problems.

For example, this Congress——

Mr. MACDONALD. Mr. Chairman, I do not mean to interrupt you. You say your understanding. What is your relationship?

Mr. BURCH. Our relation is a very informal one. I see Mr. Whitehead a great deal, I speak to him on the telephone.

Mr. MACDONALD. Who speaks for the administration?

Mr. BURCH. I would say Mr. Whitehead does.

Mr. MACDONALD. Do you mean that?

Mr. BURCH. Yes, I do; unless he declares to state otherwise.

Mr. MACDONALD. Well, he will be here too.

Mr. BURCH. I think it is quite clear the Office of Telecommunications Policy is an executive office, and it speaks at least on behalf of the President.

Mr. MACDONALD. Well, as you know very well, as well as all of us know, the Commission was set up by the Congress to take care of the problems that communications increasingly is presented with.

Do you back off if Mr. Whitehead says that this is something that should be done in the communications field, you do not think you have control, or have the public interest, that somebody who is not elected, or really appointed, do you just back off from their influence, Mr. Chairman?

Mr. BURCH. Mr. Chairman, we do take cognizance.

Mr. MACDONALD. Who is in charge?

That is all I am asking.

Mr. BURCH. I think the answer is in those areas, where we are responsible, we will take full responsibility for whatever we do, but let me——

Mr. MACDONALD. Who makes the policy?

That is what I am asking.

Mr. BURCH. In my opinion, we do.

Mr. MACDONALD. Well, you just said Mr. Whitehead.

Mr. BURCH. He represents the President, the President's views on policy.

Mr. MACDONALD. Who cares on that?

Mr. BURCH. I think a lot of people care about that.

Mr. MACDONALD. I don't and I do not think many members of this subcommittee do.

You are an arm of the Congress. Are you going to just abdicate your role in running the communications industry?

Mr. BURCH. No, sir.

Mr. MACDONALD. Like somebody who gets appointed, he never spoke over TV that I ever heard.

Mr. BURCH. I do not think there is any question of that at all, but there are many problems of telecommunications policy.

Mr. MACDONALD. That is all I am asking. I do not want to prolong the thing. What is the relationship between you and that sort of nebulous organization downtown?

Mr. BURCH. Well, I would say it is an informal relationship of mutual respect.

Mr. MACDONALD. Who is in charge?

Mr. BURCH. I would say with all deference to Mr. Whitehead, I would say I am.

Mr. MACDONALD. I hope so, because you have been officially set up by the Congress.

You are an arm of the Congress. Mr. Whitehead is probably terribly effective a man. We are not talking about that.

We are talking about where does the Congress get cut off. We set you up to deal with these problems, and now you are saying somebody else interferes with what you are doing.

Mr. BURCH. I did not intend to say that.

Mr. MACDONALD. Maybe you did not.

Mr. BURCH. I do not call it interference at all. I think everybody in this country has views on a thing like cable television, for example.

Mr. MACDONALD. I am not getting into specifics, or anything else.

I am just saying who is in charge down there. That is all I want to know.

Mr. BURCH. In those areas where the——

Mr. MACDONALD. Are you in charge of communications, or is this other office that just was set up in charge?

That is all I am asking.

Mr. BURCH. Mr. Chairman, I do not think your question is capable of a simple answer, for example.

Mr. MACDONALD. I am not asking for a simple answer.

Mr. BURCH. Then let me give you a complicated answer on this.

Mr. MACDONALD. Mr. Burch, you know that I think you have done a great job down there, but——

Mr. BURCH. I am not trying to abdicate.

Mr. MACDONALD. Why don't you just tell us who is in charge.

It is incredible up here to hear, read in the newspapers about someone talking about the administration policy, and then you never say anything.

I just would like to know in your opinion at least, I am not saying factually perhaps, but just in your opinion, who is in charge.

Mr. Burch. I think the FCC is in charge.

Mr. Macdonald. What do you mean you just think?

You either are or are not.

Mr. Burch. Mr. Chairman, it seems to me that one of the problems, of course, is that anyone can propose.

Only the FCC can dispose of these questions that are within the Communications Act of 1934.

Mr. Whitehead does have a role, a very definite role as far as the Government's portion of the spectrum.

We have no responsibility for that, we cannot even look at it or touch it. It is excluded from our jurisdiction, so in that area, the President is the one that makes decisions concerning Government spectrum, which is about half of the spectrum, as you know.

We do not have a thing to do with it, never did. The statute does not set it up that way.

Mr. Macdonald. When you talk to Mr. Whitehead, do you do what he tells you to do?

Mr. Burch. No, Mr. Chairman.

Mr. Macdonald. I would be surprised if you did, frankly.

You were set up by the Congress to oversee our communications problems, and it just bothered me for a while to understand the connection between the FCC and some sort of nebulous——

Never mind. We will talk to Mr. Whitehead about that later, but what I am really trying to ask you is, do you react directly, if they tell you to do something, do you do it?

Mr. Burch. No, sir.

Mr. Macdonald. I believe that.

Do you react to them in any way, do they have any influence down at the FCC?

Mr. Burch. Certainly they have influence at the FCC, just as you have influence at the FCC.

Mr. Macdonald. I do not have any. Obviously I do not have any.

Mr. Burch. I mean this very truly, we react to anyone who has a good idea, who has a decent idea, and something we can incorporate.

Mr. Macdonald. That was not my question. Do they have any influence, not intellectually, but do they have any power to tell you to do this and do that?

Mr. Burch. No; if that is your question, the answer is no, they do not.

Mr. Macdonald. Have you reacted in a way that they think they do, that they think they have some influence over the FCC?

Mr. Burch. I have not. I cannot speak for everyone else. I have not.

Mr. Macdonald. You are speaking, Mr. Chairman, for your regulatory agency.

Do they influence you, do they actually tell you what to do?

Mr. Burch. No, they do not tell us what to do. They tell us in many instances of options that are desirable. We may or may not accept their advice.

Mr. Macdonald. Why would you accept their advice?

They have more expertise than you do?

Mr. Burch. No, but some of these problems that we face——

Mr. Macdonald. I am not badgering you or anything like that.

I respect you, you have done a great job since you have been there.

What I am saying is, why should any other agency, or any other influence, influence the FCC in their decisions?

Mr. **Burch.** Well, Mr. Chairman, if you are using the word influence as undue, or improper, they do not.

Mr. **Macdonald.** I never said undue or improper. I am just saying do they have any influence over you.

Mr. **Burch.** The only way I can answer that is that every citizen presumably has some influence at the FCC. Obviously we are interested in the views of the President of the United States, obviously we are interested in the views of the Department of Defense.

Mr. **Macdonald.** Do you think when Mr. Whitehead was talking to you, he was talking in the way the President would talk to you?

Do you think that Mr. Whitehead, or Mr. Flanagan, I guess, who is in charge of the thing really, if they had—well, I will just say, do they influence you, to go back to my original question?

Mr. **Burch.** Mr. Chairman, I tried to answer the question as best I can.

Mr. **Macdonald.** Yes, but you have not.

That is the whole point.

Mr. **Springer.** Mr. Chairman, you have asked him 13 questions, and every one about influence.

He has tried to answer you as truthfuly as he could.

Now you are badgering him, and I think that is to be resented.

You have taken 14 minutes. Some of the rest of us would like to ask him questions, too.

Mr. **Macdonald.** Will you answer my question?

Mr. **Burch.** I will answer it as best I can, Mr. Chairman.

The question is, Are we influenced by the OTP? The answer is "Yes," if you mean influenced in the sense do we pay attention to things in which they offer, ideas which they offer; yes.

If you are asking, do we accept them without question, the answer is "No."

The same thing is true of any Member of this House or the Senate.

If you make a suggestion to us, we consider it, to that extent it influences.

Perhaps we are having a semantic battle here, but that is my answer.

Mr. **Macdonald.** Mr. Keith.

Mr. **Keith.** I think it is a semantic problem. I would be surprised if Mr. Whitehead ever told you to do anything.

Mr. **Burch.** He has not.

Mr. **Keith.** What he has done is this: he has explored with you, picked your brains, and that of the Commission, to help him, make policy. He can do this, and, in turn, he can make recommendations to this committee, or to your agency. It is an exchange of ideas. I would think you would be very resentful if he ever told you to do anything?

Mr. **Burch.** He does not tell us to do anything, Mr. Keith, that is correct.

Mr. **Macdonald.** Mr. Springer will object again, but when you say he does not tell you, what kind of influence does he have with you;

what I am really saying—well, I agree with Mr. Springer, I have been asking it for too long, but you have not given me an answer.

Mr. Burch. He has the influence to which his views are intellectually entitled.

Mr. Brown. Mr. Chairman, if I could invoke my 5 minutes, perhaps I could be helpful with the questions.

Mr. Macdonald. I have not yielded yet. Would you give me a more direct answer to that?

Mr. Burch. Mr. Chairman, honestly, I am not trying to shirk from your question, but the answer is do we listen to OTP when they make recommendations; yes.

Do we constantly follow their advice; no.

Mr. Macdonald. Mr. Brown.

Mr. Brown. Chairman Burch, bearing in mind you are a lawyer and I am not, as I understand, the requirements of the FCC, you have the responsibility of the detailed administration of the law, the Communications Act of 1934, as it is amended; is that right?

Mr. Burch. That is correct.

Mr. Brown. You also have the detailed responsibility of regulation, under that law, because the Congress obviously cannot write all of the regulations that go into the detail that is required by the administration of something as complex as all of the communications of the commercial stations and noncommercial stations in the country. In addition to that, the third basic requirement, which makes you quasi-administrative, quasi-legislative, and quasi-judicial, is interpretation of that law, which of course, is appealable to the courts; so there is a process of interpretation, and in this detailed regulation, you propose rulemaking; do they not?

Mr. Burch. Yes, sir.

Mr. Brown. As I understand, every citizen of the United States has a right, as a citizen, to come into speak to those rulemaking proposals?

Mr. Burch. That is corret.

Mr. Brown. So in effect, in making the detailed regulations, and, in fact, the administration of the laws, or the interpretation of the laws could be appealed by any citizen; could they not?

Mr. Burch. Yes.

Mr. Brown. So in making those regulations, your legislative function, and in interpreting the laws, your judicial function, and in administering the laws, anybody can suggest how those things ought to be done; is that not right?

Mr. Burch. Yes, sir.

Mr. Brown. As I also understand, Mr. Whitehead in the Office of Telecommunications Policy, has no legal power over you?

Mr. Burch. That is right.

Mr. Brown. The opportunity to come in and say to the FCC, "you do this?"

Mr. Burch. None.

Mr. Brown. The only people who have that power in a legal sense is this Congress, approved by the President, and supported by the courts?

Mr. Burch. The Congress can in the sense of amending our act in any way it sees fit.

Mr. Brown. Or by vetoing any decision you make, by the way of passage of a new law?

Mr. Burch. Yes, sir.

Mr. Brown. I would like to go onto two or three other points.

You have testified on the legislation before as Mr. Macdonald's bill, but have you seen or had an opportunity to see the bill which I put in?

Mr. Burch. Yes, sir. I have only just had an opportunity to see it. I am not an authority on it.

Mr. Brown. Did your testimony apply to it?

Mr. Burch. No, it did not. I was asked to testify on those two bills, and I have done so.

Mr. Brown. May I ask then, with reference, not specifically to my bill, a couple of questions that I would like to pursue to relate to my bill and the other bills before us.

You raised the question of commercial competition as an objective of educational television, or public broadcasting versus more fundamental educational functions and instructional functions.

The law, the Public Broadcasting Act of 1967, it does not make that terribly clear, does it?

It leaves that up in the air, and leaves it to be an evolutionary process, because, in effect, that law authorizes the Corporation for Public Broadcasting to do certain things.

It does not require much of anything.

Mr. Burch. Yes; I think that has always been illustrated by the fact that this system of broadcasting is known as public broadcasting, as educational broadcasting, as cultural broadcasting, it does not have a specific designation, but I would observe it is known a lot more lately as public broadcasting.

Mr. Brown. Yes; that is so, but, let me ask you, in fundamental consideration of public broadcasting or educational broadcasting, we are operating under the same general principles by which commercial broadcasting operated in reference to localism.

Having put a station on the air at one time, myself, I recall I was required by your Commission, not when you were on it, this was before that, but I was required as the proposer of that station to verify that I was going to provide a local service, and I had to prove that I was going to meet the needs of that community.

As a fundamental requirement of my getting my license, that was necessary for me to do that.

Now, is that still a policy with reference to commercial radio and television?

Mr. Burch. Yes, it is.

Mr. Brown. Is it a policy with reference to educational television or public broadcasting?

Mr. Burch. Yes; as I said in my statement, we have allocated a great number of channels for educational purposes, and the idea behind that allocations table is to give each local area an outlet for expression in that area.

Mr. Brown. We heard yesterday, and I must question one comment Mr. Rooney made, I do not recall we heard that private funds that were going into educational television and radio were dwindling.

I recall hearing several times they were not sufficient, and that we needed more Federal money, but I would like to verify that point, whether they are dwindling, or they are insufficient.

Nevertheless, we did hear yesterday from the National Association of Educational Broadcasters, that they would like to see a pro rata distribution of Federal funds, automatically to local stations, and of in fact the percentage of distribution of those Federal funds go up as the amount of Federal dollars increases.

Do you understand what I am saying?

Mr. BURCH. Yes, I do.

Mr. BROWN. Do you think that is a supportable position with reference to the desire of having all licensed stations, commercial and noncommercial serve their local communities as a primary requirement?

Mr. BURCH. Certainly, I do not see anything unsupportable about that principle at all.

Mr. BROWN. Now, with reference to the Corporation for Public Broadcasting, and the programing responsibilities they have, to provide a centralized source of pragraming, for these local stations, do you think it would be desirable to have on the Board of the Corporation for Public Broadcasting as a matter of requirement, representatives of either the local stations, station managers, or the local communities in terms of planning what that centralized program service would provide?

Mr. BURCH. Yes; I do not think there is any question it would be desirable to have representation of the local management on the Board of Directors.

There is at this time to some extent representation of that sort.

Your bill would change that considerably, and, as I understand it, you put 10 local managers on the Board, if I understand it.

Mr. BROWN. Ten out of the 15 public members which we now have.

Well, thank you very much.

Mr. MACDONALD. Mr. Frey.

Mr. FREY. Thank you, Mr. Chairman.

Mr. Burch, I think you and I do not have a semantic problem on what you are trying to say.

I am sure I understand what you are doing, and I also believe you are doing a fine job.

Mr. BURCH. Thank you.

Mr. FREY. The basic question we are trying to resolve, one is the question in essence of centralized control versus station-control.

We have heard various testimony over the money, the installation, and how long we should do it.

I have talked with several people about this, No. 1, the danger with more money going in this in a sense of centralized thing, the danger of the Government more and more in some way influencing what goes on with the broadcasters.

I wonder if you like Sander Vanocur or not, for there has been quite a little publicity about this, although he is not one of my favorite people, but still and all, you get into the question of control.

What is your reaction to this?

Mr. BURCH. I think the structaral problem of the public broadcasting system is a very real one, to try to achieve a reasonable balance between the localism and a structure whereby many events can be actually produced and distributed locally, and to achieve the proper relationship, I think it is a very difficult task.

I do not happen to know myself exactly what it is.

Mr. Frey. That I think is pretty much the trend of this, and this, of course, comes to the other question I was trying to get at. We heard testimony as to locking money in, and funds there for the next 5 years as an insulation.

One of the things that could work both ways that runs through my mind, is that there is here an industry, it is a new thing.

We are not sure what it is, we do not know where the line is between the so-called political and educational, and where to draw it.

It might be instead of increasing, we should increase it six or seven, 2 or 3 years from now, and I question in your statement, I think you somewhat feel the other way, but I question whether it would make any sense to lock it in for 5 years, when there is so much out of these hearings that people either do not know, or do not agree upon.

Mr. Burch. The Commission has been up here twice to testify on this question, and each time we have said we favor permanent financing.

We also said we do not know how you do that, but we do feel strongly, and I do as well, that the annual appropriation process of directly funding something is not ideal by a long shot, and that some alternative should be sought.

Whether 5 years is the appropriate period or some other period, I am not an authority.

Mr. Frey. I agree that permanent financing should be sought, but I think we should not do it until we know what we are doing, and how this young giant will end up going.

One other thing, I do not know if you are really directly involved in this, but one of the things brought up, and there was a quote from Mr. Arthur L. Singer, who was with the Carnegie Commission, who was talking about the system, said the present system is not pluralistic.

It is dominated by the Corporation for Public Broadcasting, and the Ford Foundation, what goes on the air in the system is what these institutions approve.

I wonder if there is any problem as such, that the foundations as such do dominate it?

Mr. Burch. I think it is the old physical law that nobody will allow a vacuum.

The money was not forthcoming, and so the vacuum was filled by the Ford Foundation and others, and when you put that much money up, you have a considerable amount of power as to what is done.

I am not suggesting they did anything from ulterior motives, It is a fact of life, if you put the money up, you usually have something to say about what is produced.

Hopefully, with permanent financing, the influence of the people who have very generously supported this, would be reduced to a more proportionate level.

Mr. Frey. One last question, in the local area, we have tried to finance and do as much on our own.

Mr. Brown was talking about the question of whether the funds were decreasing.

It seems to me they went down just slightly from the testimony yesterday, but be that as it may, I just wonder, with all of the increase that we are going to go into, whether in some ways, this is going to be a signal to everybody trying to finance it locally, like in our area, where you can forget about it, because good Old Uncle Sam will come through again and pick up the slack, and we do not have to scrape.

I recognize they are scraping, and everybody involved is scraping, but yet on the other hand, it is local, it is locally oriented, and in my way of thinking, it is better if everybody has a stake in it.

Do you think there is a problem in this?

Mr. Burch. I should think there is always a problem.

If somebody else will put the money up, why not let them, that is a kind of typical attitude, and I am sure that applies to charitable contributors as well as everybody else.

I am sorry I do not know the answer to that problem. That is of a human nature. I think the only thing you can strive for is to make available some money, an adequate amount of money.

Mr. Frey. Seed money?

Mr. Burch. Well, yes, seed money, if that be the case.

Mr. Frey. Would you have any objection to passing through more than 30 percent, say 50 percent to the stations?

Mr. Burch. No, I would not have any objection.

Out of hand, I think that is a decision, again, I am not an authority on this.

I do and the Commission does support the localism concept of public broadcasting, just as we do in the commercial broadcasting field.

Mr. Frey. Thank you, sir.

Mr. Macdonald. Mr. Springer.

Mr. Springer. Mr. Chairman, I hope I can clear up partially what the chairman was trying to get at.

The law is this, is it not, that on a contested matter before your Commission, no one can contact you, and it is a violation of the law for anybody else except those on the record to contact you or any member of the Commission?

Mr. Burch. That is correct, Mr. Springer. In the case of an adjudicatory hearing, or rate proceeding on the record, we may not be contacted.

Mr. Springer. Secondly, there are hearings which are open for comment from anybody.

You just said of one yesterday. I did not agree, did I?

Mr. Burch. No, sir.

Mr. Macdonald. And I did not have any influence with you on that?

Mr. Burch. Yes, sir, but not to the extent perhaps you might like.

Mr. Macdonald. In other words, what I am trying to demonstrate, I had a right to talk to anybody at the Commission, or send any letter down there to express my opinion, because it was an open hearing, of the question of CATV, versus free TV, and I think you have known what my position has been.

The Chairman of this Commission, or any member of this subcommittee or committee, or any member of this audience, they may contact you on that kind of matter, and that is the law?

Mr. Burch. Yes, sir.

Mr. Springer. I do not know what the White House position was, but I got a pretty good idea of what it was, and you did not do what they wanted done in that one?

Mr. Burch. No, sir.

Mr. Springer. If I understood their position?

Mr. Burch. Yes, sir.

Mr. Springer. Now, in what I think you are trying to say, is anyone in those situations can express themselves, you are willing to hear them, you say, on an intellectual basis, but you gentlemen down there will make up your own mind what you want to do, and what you feel you have to do in the public interest, am I expressing this about what the law is, and about what your obligation is in the public interest?

Mr. Burch. Yes, sir.

Mr. Springer. I want to come to one more thing and I am through.

Are you familiar with the section 396(g)(1)(A) of the Communications Act?

Forget about it.

Mr. Burch. I think as a matter of fact, we discussed it yesterday.

Mr. Springer. I discussed it yesterday, yes.

Now, this is not the same rule as applicable to commercial television is it?

Let me read it to you.

The part that is most important is diversion sources will be made available to noncommercial educational television or radio broadcast stations, and this is the important part, Mr. Chairman, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature.

Now, this does not say adherence to objectivity in balance.

It says strict adherence to objectivity and balance.

Now, this is not in your regulations, this is the law, Mr. Chairman?

Mr. Burch. That is the law.

Mr. Springer. That is the law.

Now, are you enforcing the law with reference to this section down at the FCC?

Mr. Burch. In all candor, Mr. Springer, we have not had occasion to enforce the law in that respect.

Mr. Springer. Are you finding out what is being done about it, in an effort to enforce this section?

Mr. Burch. We are aware of what is on public broadcasting.

We do not monitor it. We do not monitor any broadcasting at the Commission.

Mr. Springer. How then do you enforce this particular provision?

Mr. Burch. The same way as we enforce most of the provisions of the act.

We rely on the complaint process. We think we have 200 million Americans who will report to us when something goes haywire, and by and large they do.

Mr. Springer. You are doing this subject to the prosecution process, not by the process of investigation?

Mr. Burch. That is correct.

Mr. Springer. Is that the way you have done it all along?

Mr. Burch. I would have to consider this an aspect of fairness, and that is the way we handle our fairness doctrine obligation, they are generated by complaints, which we examine.

Mr. Springer. You understand, there is a lot more than just fairness here.

We went over this with a fine-tooth comb. This has a lot more to do than with just fairness.

Mr. Burch. I was looking up section 315, as you were reading that, and there is a considerable difference in the language.

Mr. Springer. And that is applicable to commercial television, but these words are applicable, and may I say, Mr. Chairman, this was not put in here.

It was a Springer amendment. It was not put in here because I wanted it. It was put in here because the friends of the television industry came to me and said we think with this in here, it will keep us out of all of the trouble we can get into.

I just wanted to ask you this question, and if you are enforcing the law, as you do in other cases, then I think you are doing your duty.

Thank you, Mr. Chairman.

Mr. Macdonald. Thank you, Mr. Burch, for being here, and we are always happy to see you, and we have other questions about other subjects, and none of them obviously controversial, but we appreciate your coming here, and we hope we do not take up too much of your time.

Thank you again.

Mr. Burch. Thank you for the opportunity.

From the Floor. Mr. Chairman, I am a member of the Network Project, which was invited to testify at these hearings, following the year study of the Corporation of Public Broadcasting, and the report which we published, which you were all sent at the request of the subcommittee, and we had a formal invitation and notice to appear, and we were disinvited yesterday to testify, and I would like to protest our conscious exclusion and exclusion of any public representative from these hearings.

I would furthermore like to denounce the hearings as being private and closed, except to the representatives of the corporate interests, and Government agencies, which already dominate the Public Broadcast.

Mr. Macdonald. We will be glad to hear from you.

Proceed, Mr. Johnson.

From the Floor. I would also like to say we do have the testimony which you asked us to prepare, since you will not do us the justice of hearing it, since you believe we do not have a right to be heard apparently, we are just people, we are not officials, we are not Government agents, we will read our testimony to the press, and to whichever Congressman, and whichever other individuals would be interested, outside the hearing room following Commissioner Johnson's testimony.

Mr. Macdonald. Thank you.

From the Floor. You are welcome.

Mr. Springer. He did not say who he was.

Mr. Macdonald. I think he represents a group from Columbia University, who is suggesting the FCC is doing something wrong or other.

From the Floor. It is called the Network Project. It is the group which filed a suit in Federal court last December, charging the Corporation for Public Broadcasting with a violation—with 10 violations of the Public Broadcasting Act, and the free speech provisions of the U.S. Constitution.

I realize it is perhaps not important to you that the word of the Congress is being subverted——

Mr. Macdonald. Look, we have been nice to you. You have got your spokesman right here coming up, Mr. Johnson.

From the Floor. I beg your pardon. That is not true.

Mr. Macdonald. I should not have said that, Mr. Johnson. What I am saying, you have a case in court?

From the Floor. That is correct.

Mr. Macdonald. It is obvious that the Congress cannot interject itself when something is pending before a court. We welcome your opinions and all of that.

From the Floor. Mr. Chairman, I understand your concern with funding, and we do have something concerned with funding.

It is not concerned with the lawsuit, or such apparent illegalities.

Mr. Macdonald. All right. Thank you very much.

Our next witness is Commissioner Nicholas Johnson, Federal Communications Commission.

STATEMENT OF NICHOLAS JOHNSON, COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION

Mr. Johnson. Thank you very much, Mr. Chairman.

I would like to begin with a quote from a Carnegie Commission on Educational Television report entitled "Public Television: A Program for Action," page 99—1967:

"If we were to sum up our proposal with all the brevity at our command, we would say that what we recommend is freedom. We seek freedom from the constraints, however necessary in their context, of commercial television. We seek for educational television freedom from the pressures of inadequate funds. We seek for the artist, the technician, the journalist, the scholar, and the public servant freedom to create, freedom to innovate, freedom to be heard in this most far-reaching medium. We seek for the citizen freedom to view, to see programs that the present system, by its incompleteness, denies him."

Chairman Macdonald, thank you very much for inviting me to testify this morning on the funding of public broadcasting. Your decision to introduce H.R. 11807—which I support—is most commendable. It has brought the discussion of public broadcasting's future out of the backrooms and into the public arena where it belongs. It is my earnest hope that these hearings will succeed in starting an inexorable process leading to the passage of a law guaranteeing public broadcasting insulated, long range, and substantial financing.

My remarks will be mainly concerned with H.R. 11807, Chairman Macdonald's bill. Congressman Tiernan has introduced H.R. 7443, which shares some of the same features as H.R. 11807.

Chairman Dean Burch has adequately analyzed each bill and has demonstrated their differences. I would prefer H.R. 11807 to H.R.

7443 for two reasons: first, it appropriates more during the overall 5 years of the public broadcasting fund than H.R. 7443—$160 million in fiscal year 1977 as opposed to $140 million in fiscal year 1977, for example; second, H.R. 11807 mandates a 30-percent "passthrough" to the local stations, which H.R. 7443 does not.

However, I do want to add that I still would support Congressman Tiernan's bill, in principle, as a definite improvement over the status quo. Both are preferable, in my view, to Congressman Brown's bill, which would give $35 million to the local stations through HEW, and only $20 million to the Corporation for Public Broadcasting.

H.R. 7443 is also preferable to the bill being proposed by the Office of Telecommunications Policy, which would provide, for 1 year only, $30 million to CPB and $15 million to the local stations.

The Carnegie Commission said it was recommending "freedom" for public broadcasting. Ever since the Corporation for Public Broadcasting was established, however, that freedom has been withheld.

It has been denied by successive administrations' unwillingness to recommend the freedom of funding at levels and with the insulation from the appropriations process required to develop a full-flowering system.

It has been denied by politicians in and out of Congress and the White House publicly objecting to particular programs, personalities, or salary levels.

It has been denied by corporate contributors to public broadcasting, at the local and national levels, using their influence to object, often successfully, to particular programs or segments which make them appear in a bad light.

I. LEVELS OF FUNDING

The Carnegie Commission envisioned the Corporation's receiving about $56 million a year from Congress during its first 4 years; instead, funding has been much, much lower, averaging somewhere around $20 million a year, with this fiscal year's funding at $35 million, only $30 million of which is from the Federal Government.

Now, in CPB's fourth year, some $146 million behind, the administration proposes public broadcasting financing of $45 million for fiscal year 1973.

In my opinion, we ought to start our discussions about public broadcasting with an annual financial figure of $500 million. That's approximately the amount of money available to each of the three TV networks with which CPB must compete—ABC, CBS, and NBC.

Because some of the money must also be used for funding local stations it may be more appropriate to compare the $500 million to the $4 billion available for the entire commercial broadcasting system.

Or compare that level to what is available to Japan's NHK—a successful noncommercial network existing side by side with profitable commercial networks in that country. If we funded public broadcasting in this country with the same proportion of our gross national product as Japan, we'd be budgeting it at a level of $1.8 billion.

A $500 million appropriation would constitute a mere one-fourth of 1 percent of the Federal budget; one-half the cost of one new nuclear aircraft carrier; less than 1 percent of what we quite willingly spend on education each year: a mere $8 per household per year.

In the current political situation, I do not mean to fault you for coming forth with a proposal to fund public broadcasting at $65 million for fiscal 1973 and, eventually, $160 million for fiscal year 1977.

Certainly this is a major and a commendable step forward. It is unquestionably better than $35 million or $45 million. It may well be the best you can get. My only purpose in dwelling on the $500 million figure is to say, in effect, of course we ought to appropriate $65 million a year—there's no question about it.

II. DISTRIBUTION OF FUNDS

Simple economies of scale dictate a need for national public affairs and news reporting. Other programing—the Boston Symphony or the Rolling Stones—may be equally in need of centralized funding and production. This is not to say that total programing control should go to CPB, PBS, or any single national entity.

Today you don't have one central programing source, but instead a variety of sources, just as the Carnegie Commission has envisioned—NET, Children's Television Workshop, the National Public Affairs Center for Television in Washington, and stations such as WQED in Pittsburgh, WGBH in Boston, KCET in Los Angeles, and KQED in San Francisco.

Of course, there is also a need for strong local programing. That's why granting a certain portion of the CPB budget to the local stations through a guaranteed pass-through—either the 30 percent in your bill, Mr. Chairman, or the 33 percent in OTP's interim bill for fiscal year 1973—is a good idea.

But total reliance on either national or local programing is a fallacy. It's part of what's called the "politics of scarcity," to put the question in those all-or-nothing terms. It's like choosing between police protection and good hospitals and schools.

There is no such choice. If you will allow me to revert to basics for a moment, I would suggest that the ideal funding system would provide one-third to national networks, one-third to local stations, and one-third to individual artists and program producers.

One of the greatest frustrations that any artist feels is the necessity to work within a rigid bureaucratic structure. No bureaucratic structure comparable to a modern-day network, commercial or public, could possibly have permitted Homer to write the "Aeneid," Shakespeare to write "King Lear," or Arthur Miller to write "Death of a Salesman."

The only way to make such creative accidents possible in our time is to fund individuals as well as institutions.

III. SALARIES

A word about the salaries paid public broadcasting personnel. It seems to me that if Congress wants to have a public broadcasting system public in fact as well as name, it has to let public broadcasting compete for the talent necessary to attract audiences.

The salaries paid to public broadcasting personnel are still significantly below those paid to commercial TV personnel—sometimes as high as $100,000 to $300,000 a year. If that is not a proper comparison, then the answer is not to force public broadcasting to employ paupers: the answer is to limit the salaries of commercial broadcasters and talent.

In fact, I would suggest neither answer. Ultimately, the salaries paid public broadcasting personnel, like the editorial content of public broadcasting shows, should be a matter for public broadcasting's management alone to decide.

IV. SOURCES OF FUNDING

Mr. Chairman, another major issue is the need to come up with a method of freeing public broadcasting from the political structures of the annual appropriations process. The clear statement of the Carnegie Commission was that: The Commission cannot favor the ordinary budgeting and appropriations procedure followed by the Government in providing support from general funds. We believe those procedures are not consonant with the degree of independence essential to public television.

Mr. Chairman, as you know, the Carnegie Commission proposed the setting up of an excise tax on the manufacturing of TV sets. Other proposals include a tax on commercial TV profits, a "public dividend" from domestic satellite operation, and a tax on total television advertising outlay. Ultimately, some system of automatic funding should be chosen by Congress.

In the meantime, I support your proposal to earmark an increasing amount of support for public broadcasting ahead of time throughout the next 5 fiscal years. As Mr. Macy told you Tuesday, establishing a public broadcasting fund this year would facilitate the provision of a tax or a charge at a later date.

Incidentally, it should be noted that the record of the administration in this area is a sorry one, indeed. A year ago President Nixon promised a plan for permanent financing: "Legislation will be proposed to provide an improved financing arrangement for the Corporation." None has been forthcoming.

V. PUBLIC BROADCASTING'S PURPOSE

The American people are indebted to you for going ahead with these hearings even without any overt support from the administration. After all, it is their public broadcasting system we are talking about. In that connection, I think that it's worth reviewing briefly the fundamental purposes of public broadcasting.

The job of public broadcasting is to provide solid programing alternatives for the many millions of Americans who are not served by the commercial system, a system completely dedicated to serving the marketing strategies of mass producers of goods and services.

It is public broadcasting's job to discover the weaknesses and limitations of commercial broadcasting and fill those voids. Drawing from this premise, some people mistakenly conclude that public broadcasting should be aiming its programing solely at the Phi Beta Kappas, the professionals, the opera-lovers, and so forth.

It may well be that highly educated people have not found much on commercial television and radio aimed at them; equally obviously, part of public broadcasting's programing should be aimed at filling their needs. Thus, public broadcasting ought, indeed, to include a regular complement of drama, concerts, documentaries, and the like.

But programing just for a "high-brow" audience is not a sufficient justification for public broadcasting nor is it the logical inference to draw from notions about the failures of commercial TV.

The fact is that virtually no one is truly served by commercial broadcasting. If you were to make up a list of such viewers, you might start off with blacks, Spanish-Americans, and other racial minorities. You would have to include rural Americans, whose problems and special interests are by definition "minority", and receive scant attention from the commercial networks; there are those young people whose own preferred form of entertainment, rock music, has yet to receive wide exposure on commercial television because of its as yet "minority" status and there are the people over 65, who are doubly discriminated against on commercial television—first, because they are a minority of 20 million, and second, because even those programs which do attract huge numbers of elderly viewers to commercial television are considered by advertisers to attract the wrong audience; that is, not white, middle class, suburban, aged 18 to 40.

Public broadcasters should simply ask themselves, Is this something commercial broadcasting is doing sufficiently and adequately now?

After they make that decision, themselves, I believe they should not be limited by you, Congress, or me, the FCC, in their categories of programing. Whether political satire, specialty movies, rock music, drama, public affairs, or popular vocational education, public broadcasting ought to have the green light.

This does not mean, of course, that public broadcasting should avoid putting on highly rated shows. Many programing concepts are traditionally viewed as too "risky" for commercial television by national advertisers. "All in the Family" is an exception, rather than the rule, in terms of the relative state of realism in commercial television.

Ironically, "All in the Family" started on BBC, Britain's "public broadcasting" system. If CBS had accepted the age-old wisdom that reality and commercial television are like oil and water, then "All in the Family" might have been on PBS instead of CBS—and the ensuing high ratings certainly would not have destroyed the validity of its appearing on public broadcasting to begin with, as did the BBC's "Civilisation" and "Forsyte Saga."

This brings up the subject of public affairs programing. In a recent interview over National Public Radio, Dr. Clay T. Whitehead, of OTP, stated his views regarding the broadcasting of public affairs programing:

> There is a real question as to whether public television, particularly the national federally funded part of public television, should be carrying public affairs and news commentary, and that kind of thing, for several reasons. One is the fact that the commercial networks, by and large, do, I think, quite a

> Another consideration is that we have a very strong tradition in this country that the press and the government stay at arm's length, that they keep apart from each other. So that when you're talking about using federal funds to support a journalism activity, it's always going to be a subject of scrutiny. It just invites a lot of political attention, you know, whether or not there's anything wrong going on there at all.

That's a rather disingenuous statement, I must say. Here is a leading representative of the Nixon administration saying that he thinks there ought to be no public affairs on public broadcasting because politicians might object. But, this is the very administration that has severely criticized the Corporation for Public Broadcasting for having the temerity to hire a newsman who disagrees with the administration's political philosophy.

This is the administration that has publicly castigated the Public Broadcasting Service, a membership organization of local public stations, for becoming a fourth network—shades of the eastern media conspiracy.

This is the administration that has refused to come up with a plan to fund public broadcasting through an insulated funding mechanism—holding out the carrot and stick that if CPB President Macy will monitor the public affairs programs a little more closely in this election year, as he's now told you he'll do, the administration may finally come forward with some money.

The fact is that there probably is a great need for public affairs programing by public broadcasting. After all, the recent Du Pont-Columbia survey of broadcasting reports that only 2 percent of commercial broadcasters' prime time is devoted to news and public affairs—this by an industry with revenues of $4 billion a year.

The three networks combined have only 4 hours of regularly scheduled public affairs programing per month during prime time; ABC-TV has none. In addition, the three networks have repeatedly made clear that their half-hour evening newscasts are little more than "headline services."

Compare the news and public affairs programs of our three commercial networks to those of Britain's BBC and ITV. NBC had a program called "First Tuesday," which, by definition, was on once a month. BBC has a program called "Twenty-Four Hours," which, by definition, is a daily public affairs show—in addition to BBC's nightly news.

BBC has four separate departments in this area—one for public affairs, one for news, one for documentaries, and one for features—and each has its own regularly assigned portion of the broadcast week, in addition to sports, movies, series shows, and so forth.

So to call American commercial efforts in this area adequate—despite how good they look in comparison to their entertainment programing—is absurd on its face.

It might well be that if I were the head of PBS, I might have decided not to go into public affairs in a big way at this time. But that is a journalistic, strategic, and managerial judgment, not for me or Dr. Whitehead or any other governmental official to make.

Moreover, once the managers of public broadcasting have decided to enter a particular sphere of programing, they deserve the leeway necessary to produce programing free from outside interference.

The only real justification for public broadcasting's existence is its willingness to do the very things that commercial broadcasting cannot or will not do—because of the nature of the industry's structure, because of advertiser pressures or whatever.

In one sense, therefore, unless public broadcasting is controversial, unless it is innovative, it ceases to fulfill its minimal purposes.

But it can never begin to fulfill those purposes—it can never exercise its own freedoms, or allow the artist to function freely in communicating with his audience—unless it is provided the security that will come with significant insulated, long-range funding.

The longer we postpone that day, the longer we retard the growth and inhibit the freedom of public broadcasting, to the detriment of the entire society.

You raised some questions, Mr. Chairman, during Chairman Burch's testimony as to relationships with the OTP, and I thought it might be useful, at the risk of prolonging that discussion beyond the desire of anybody, to make a brief statement of my own understanding, if you wish.

Mr. MACDONALD. Without objection, so ordered.

Mr. JOHNSON. Let me say briefly this, first of all, I think as you have indicated, Tom Whitehead is an extraordinarily competent guy. I think he is about as independent as anybody in this administration. I personally like him, and would be proud to have him associated with me in any professional undertaking.

The second point, the FCC has not formulated a national communications policy as Congress intended in 1934. It did not do it before I got to the Commission, it has not been doing it since, and it shows no likelihood of doing it in the future. You have been frustrated by this; so have the present and past Presidents.

President Johnson established the President's Telecommunications Policy Task Force to try to bring about some intellectual process to bear on the matter of formulating national communications policy.

They prepared a report with which you are familiar, Mr. Chairman.

Now, President Nixon has chosen, in effect, to do this on a permanent basis with the Office of Telecommunications Policy.

I think it is a tragedy the function is required in the executive branch.

I think you have mandated it be done by the FCC. It has not been done by the FCC, and I welcome help from whatever quarter I can find it.

I think in fairness, on balance, however, it should be pointed out that there have been some problems with the way this administration has run that office.

There is considerable ambiguity as to Mr. Whitehead's role, and considerable fear within the broadcasting industry especially, that is derived from confusion as to who Mr. Whitehead is speaking for, how much role the administration is taking in broadcasting affairs, and the extent to which the FCC's powers will be used by the administration to punish those who express views the administration does not like.

That is not Mr. Whitehead's fault, but there are many other people in the administration, such as the Vice President and Herb Klein, and others who also speak on these issues, and by implication, unfortunately, he is swept along with them oftentimes.

Second, there has been some considerable impact of the administration on the FCC's policies.

In many ways this cannot be attributed to Dr. Whitehead, but I think it simply must be acknowledged it has happened.

Let's start with the declaration of the Vice President's about his great concern over the influence of rock music. The FCC immediately followed up with an order of its own, banning some rock lyrics.

Second, on the domestic satellite proposal, the FCC pretty much made up its mind on a "chosen instrument." Dr. Whitehead suggested we might try free private enterprise for a change.

The FCC flip-flopped, and turned around 180 degrees, on what it thought might be a good domestic satellite policy.

That is not because Dr. Whitehead told the Commissioners what to do. It is just that there was just not the resource at the FCC really to deal with that kind of intellectual power coming in from the outside.

Finally, with regard to cable policy——

Mr. MACDONALD. If I could interject at this point, Commissioner, if you would just address yourself to the bill that we are hearing——

Mr. JOHNSON. I would be happy to do that, Mr. Chairman. I asked at the outset, if you would prefer I not speak on this at all——

Mr. MACDONALD. Your statement is in the record, but your comments about CATV, and all of that, are well received by us, but that is not the purpose of the hearing.

What do you think about the bill?

Mr. JOHNSON. I have a statement with regard to that in my prepared statement which I have submitted for the record, and I would like to say I support the bill, and I have so indicated in my testimony.

I think the principal issue is freedom for public broadcasting, as the Carnegie Commission indicated, and I began my testimony with a quote from them.

In my opinion, I think we ought to start our discussion about public broadcasting with an annual financing figure of $500 million.

Let me explain why. I think by any measure it proves to be a very conservative figure indeed.

It is approximately equivalent to what the networks with which the Corporation must compete now have available at their disposal.

When you consider the fact that [illegible] also funding local stations, you are talking about competition with what is a $4 billion funded industry.

When you compare it with what other nations are doing, Japan, and its public broadcasting system, called NHK, as a proportion of the gross national product, would require in this country nearly $2 billion a year for the Public Broadcasting Corporation.

A $500 million appropriation would constitute a mere one-fourth of 1 percent of the Federal budget, one half of the cost of a new nuclear aircraft carrier now being considered, less than 1 percent of what we quite willingly spend on education, and a mere $8 per household per year, about a quarter to a half of what is paid by households quite willingly in other nations, nations with much lower standards of living than our own.

I do not mean to fault you with coming forward with a proposal to fund at the $6 million level, eventually going to $160 million.

I think it is a major step forward. I think it is a commendable step forward. I think it is long overdue, and I certainly support it.

My only point in talking about the $500 million figure is that I think we have got to keep the thing in perspective. I want us to realize the magnitude of what we are talking about, what we should be talking about, and hopefully to make thereby the point that, of course, we ought to appropriate $65 million a year. There is just no question about that.

Now, we have got a question of distribution of funds, and you have addressed that with your question this morning on both sides of the committee.

I think simple economies of scale dictate a national center for public affairs in news reporting, other national programing, that can be quite expensive.

It is worthwhile noting that there is no nation in the civilized world, that I am aware of, that has tried to fund public broadcasting by funding local stations. They have all funded a strong national distribution center.

After some 50 years of public broadcasting in Great Britain, alongside of commercial broadcasting, they have only recently decided to have local radio stations, and they are still not considering the possibility of local television stations. So I do not think we need to apologize here for following the pattern of every nation that has experimented with this for half a century, and that is to fund strongly a strong national center of distribution.

I do not think we should copy the patterns of others. I think we should have local programing, we ought to have a lot more of it, but I do not think we ought to support the efforts to the extent we lower the national service we have.

It is useful to note we do not have a single programing source. We have NET, we have the Childre[illegible] Television Workshop, we have the National Public Affairs Center [illegible] television here in Washington, we have substantial programing centers in eight locations around the United States. We already have substantial diversification built into the system as a result of that.

I do think we ought to have some kind of a flow-through to local stations, and I support that concept in your bill, and indeed in the OTP bill as well.

Although I have other disagreements with the bill, I think the ideal funding distribution, if I can revert to that for a moment, would be to recognize that there are really three wholly separate enterprises that you are trying to support.

One is a national programing center, Corporation for Public Broadcasting, Public Broadcasting System, and the programs suppliers from which they acquire programs.

Second is the local stations, and the local programing that they do.

A third, and one that has been largely left out of the discussion so far, is the artists themselves. I think we must establish in this Nation, for funding available to them directly, not funnelled through a Corporation for Public Broadcasting, a Government agency, or an institution of some kind, with alternative sources of funding available to those directly doing the work.

One of the greatest frustrations any artist feels is the necessity to work with a rigid bureaucratic structure.

That has been one of the greatest failings of public as well as commercial broadcasting.

I go into this extensively in my prepared text.

The only way to make such creative acts as possible in our time is to fund individuals as well as institutions.

You are looking at the clock, Mr. Chairman.

Would you like me to stop?

Mr. MACDONALD. I agree with what you said.

Now, Shakespeare has got nothing to do with this. Do you support the bill or not?

Mr. JOHNSON. I began by saying I support the bill, Mr. Chairman.

Mr. MACDONALD. Can it be improved, and if it can be improved, which I hope it can, in what way?

Mr. JOHNSON. The ways in which it can be improved are the subject of my statement, which I have been talking about.

Mr. MACDONALD. Will you give me an amendment that would improve the bill?

Mr. JOHNSON. Strike $65, and substitute therefore $500. That is for starters.

Mr. MACDONALD. I am not sure if that is an improvement.

Well, let me say you have done a good job down there.

Mr. JOHNSON. Thank you, Mr. Chairman.

Mr. MACDONALD. I don't think my opinion is necessarily shared with many other people, but I feel that way.

I think that specifically, in children's programing, you have done a great job down there, and you and I appeared on a panel up in Boston, if you remember, but about this bill specifically, what is the reaction in the Commission, if you know?

Who thinks that there is anything bad about this? Do you think 5 years is a bad thing, the funding for 5 years?

Mr. JOHNSON. No. I think that is a very good proposal.

Mr. MACDONALD. Well, do you think the bill can be improved at this point?

Mr. JOHNSON. Yes.

As I indicated earlier, the amount should be increased.

Mr. MACDONALD. And still get passed?

We cannot do everything at one time.

Mr. JOHNSON. I have great respect for your expertise, substantially in excess of my own, with regard to what can get passed, and what cannot.

I cannot even predict what can get passed at the FCC.

Mr. MACDONALD. That is obvious.

Mr. JOHNSON. Yes, but I keep trying.

Mr. MACDONALD. I know.

Mr. JOHNSON. I know maybe $65 million is all you can get; maybe you will have to settle for that.

Mr. MACDONALD. I think the basic problems we are going to have, which I am sure every member of the committee will discuss with you, is the problem of funding directly local stations.

What do you think about that?

Mr. JOHNSON. I would prefer your proposal, and I believe this is contained in the OTP bill, to flow through the corporation, a percentage of the funds made available to it, as it now does voluntarily.

One of the very real problems you have here, Mr. Chairman, is if we are not prepared to appropriate $500 million for a national programing service, we certainly are not prepared to fund local stations at the level they need. If you have 216 local stations, and they could each use, I suppose, a million dollars a year, to pick a figure out of the air, you are adding another $200 million to the obligation. If you are going to try to simultaneously build a national programing center, and 216 little local programing centers, you are undertaking an incredible task.

At the outset it seems to me that somebody ought to be in a position to decide how funds that represent 5 percent of what they ought to have, are in fact going to be allocated among demands that are just out of the ballpark in terms of what they have got to work with.

You cannot take the money available to the Corporation for Public Broadcasting, divide it into 216 piles, distribute it around the country, and even have local programing, let along national programing. Other than some kind of flow through system I do not know how you are going to solve it.

Mr. MACDONALD. All right.

Do any other members have any questions?

Mr. ROONEY. Mr. Johnson, you greatly praised Dr. Whitehead. I have heard similar comments about him and I am looking forward to his presentation this morning.

It seems to me the most important part of your presentation today has been freedom.

In your opinion, has the CPB been biased in any of their presentations to the American public as far as freedom is concerned?

Mr. JOHNSON. I think the problem often has come with the constraints that are placed on them by the local stations.

The program called, "Banks and the Poor", was a program about the role of the banking community and poor people. This program was previewed by a number of local banks at the invitation of local stations. Needless to say, many of the local banks did not like it, and they told the station they did not like it, and not to run it, and because of the strapped financial condition of the local station, or the inclination of the manager, or the make-up of the board, all of which tend to point in the same direction, the show was not shown in a number of communities.

Mobil gave a million dollar grant to the Corporation for Public Broadcasting at about the time Ralph Nader was doing a program involving some Mobil commercials, and the program was held up for 6 weeks.

There was the program called "Who Invited Us?", when stations, including the station in Washington, D.C., when the program was first put out, refused to let the people see it.

There was one station that killed a program on auto repairs, after there was a complaint by the local repairmen's association.

I think those problems are very severe.

I happen to think that Sandy Vanocur and Robert MacNeil are pretty conservative fellows who offer a rather conventional approach to news programing comparable to the commercial networks out of which they come.

I do not think the problem is that they are a couple of radicalized spokesmen for this young man that stood up here earlier. But I would add, I do not think this is a matter for FCC review and censorship.

Mr. ROONEY. Thank you.

Mr. COLLINS. Mr. Johnson, would you like to expand television so there would be available more programs and more listeners for television, is that what you advocate?

Mr. JOHNSON. I think that is what everyone in the broadcasting business advocates, Mr. Collins.

Mr. COLLINS. I understand American homes tune in a set 6 hours and 10 minutes a day right now.

Mr. JOHNSON. Well, they are watching the wrong stuff. That is all. We want them to have a chance to watch this other, you see.

Mr. COLLINS. Of course, one thing with respect to 6 hours and 10 minutes, do you think that is a good average, do you think that speaks well for the American people?

Mr. JOHNSON. No, I do not think so.

Mason Williams once said the best thing he could do for television was not at all. I think a lot of people are turning that set off. They are coming to Mr. William's decision about commercial television, they are just turning the set off.

I think John Macy is trying to bring some of those folks back to watch it.

I think if you take it in little doses, it is all right. You have to watch that you don't get any radiation on you. But you can take a little bit of it, and he is trying to make it a little better.

Mr. COLLINS. Then your philosophy would be to have all broadcasting public broadcasting?

Mr. JOHNSON. I would never say that. I would say we need that commercial stuff there from big corporations, to compete with, so people have a choice.

I believe in choice, and I think that that choice can be pointed up most graphically when you really have that other channel on there, pumping those commercials, and that corporate life-style, and you have another channel, where you can see something else and compare it and make up your own opinion.

Mr. MACDONALD. If there are no further questions from the panel, we appreciate your testimony very much, Mr. Johnson.

Mr. JOHNSON. Thank you very much for the opportunity, Mr. Chairman.

Mr. MACDONALD. We thank you for coming over to visit us.

Mr. JOHNSON. Thank you.

Mr. MACDONALD. Our next witness is Clay T. Whitehead, Director of Office of Telecommunications Policy.

STATEMENT OF CLAY T. WHITEHEAD, DIRECTOR, OFFICE OF TELECOMMUNICATIONS POLICY, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. WHITEHEAD. Thank you very much, Mr. Chairman.

Mr. Chairman, members of the subcommittee, I welcome the opportunity to appear before you today to discuss the pending public broadcast funding bills, H.R. 7443, H.R. 11807, H.R. 12808, and the administration's plan for increased financing of public broadcasting in fiscal 1973.

Mr. Chairman, I realize that you have been critical of us for not coming forth with a long-range financing plan for public broadcasting. I regret the delay. I have wrestled with this problem for almost a year. Others have tried for years.

I need not tell this subcommittee that it is an exceedingly complex and difficult problem, one that involves basic assumptions about the role and structure of the public broadcasting system in our country and how Government should interact with that system.

We expect to solve this problem before the end of fiscal 1973. with due deference. I do not believe that the bills under consideration solve it. In order to comment specifically on the bills, let me discuss briefly the background of our efforts over the past year.

BACKGROUND

Last year, the President's budget message stated that an improved financing plan would be devised for the Corporation for Public Broadcasting (CPB). My Office worked closely with representatives of CPB, the National Association of Educational Broadcasters (NAEB), HEW, the FCC, and other interested groups.

But we were not able to develop an acceptable long-range financing bill. One of the principal issues concerned the method for CPB distribution of operating funds to local educational broadcast stations, and whether the method should be specified in the statute.

We feel strongly that a distribution formula should be set out in the statute to assure that the local entities would have the financial strength to counterbalance the growing dominance of CPB and its network arm, the Public Broadcasting Service.

Indeed, the Carnegie Commission felt so strongly about the need to disburse operating funds free of the Corporation's discretion that it recommended an approach that would have had HEW distribute all operating grant funds to the stations.

As Dr. Killian stated in his testimony on the 1967 Act, the principal reason for this separation of funding responsibilities was a fear that, if the stations had to look to the Corporation for their "daily operational requirement," it would lead "naturally, inevitably, to unwise, unwarranted and unnecessary centralization of educational broadcasting."

However, the Congress provided for operating funds to come from CPB, and operating support was to have been one of CPB's principal responsibilities. Unfortunately, CPB has never devoted enough funds to this purpose.

By October it was clear that we were not making any progress toward an acceptable financing plan, and I wanted to explain the situation to the educational radio and TV stations, many of whom are in severe financial difficulty.

I did so at the annual NAEB convention. The particular financing controversy was only illustrative of the underlying issues concerning the shape the Congress wanted public broadcasting to take, and I focused on these fundamental issues.

Reduced to their essentials, my concerns are that:

1. The independence of the local stations has suffered because CPB has not devoted sufficient funds to station support grants and grants for purely local program production.

2. Local station autonomy has been undercut by the CPB and PBS use of interconnection facilities to establish a fixed-schedule, real-time network contrary to the intent of the 1967 act.

3. Program diversity has not been enhanced, since national programs are produced or acquired in effect by CPB's "in-house" production entities, which are also local broadcast stations. Moreover, the national programing seeks a mass audience for news, public affairs, and entertainment programs.

4. Not enough attention is devoted to achieving two important balances: the balance between local and national programing, and the broad balance among cultural, entertainment, news, public affairs, educational and instructional programs.

H.R. 7443 AND H.R. 11807

With this as background, let me turn to the specifics of H.R. 11807 and H.R. 7443. First, as to both, the level of funding is too high. When all of the other demands on the Federal budget are considered, it is unfortunately not possible to devote a total over 5 years of $500 million (H.R. 7443) or $575 million (H.R. 11807) to public broadcasting.

Moreover, H.R. 7443 provides all of these funds to CPB, without specifically requiring any distributions for station support H.R. 11807 is better, since it requires CPB to earmark at least 30 percent of its funds for this purpose; but here too the amount and nature of the distributions to particular licensees are left to CPB's discretion, albeit a discretion that must be exercised in consultation with public broadcasting representatives.

First, we think that a more substantial share of CPB's funds should be passed on to the local stations. When CPB funding gets as high as $65 million, as it would in the first year of funding under this bill, at least half should go to the stations. Thereafter, an even greater proportion of CPB funds should be distributed to the stations.

Second, H.R. 11807 does not specify the criteria and methods of distributing operating funds to the stations. We prefer to see a matching formula set out in the statute, as it is in the facilities grant portion of the Communications Act.

This would give the stations the incentive to generate financial support at the local level. The stations would know that Federal matching funds would come directly to them instead of being disbursed from a Treasury fund to CPB. There's no immediacy to it when CPB then has to set aside a fraction of the match and distribute it to all licensees pursuant to industrywide criteria.

The stations are likely to be more enthusiastic about local fundraising when there is an immediate prospect of a direct match. Finally, it would heighten the local stations' sense of autonomy and independence if they had available a stable source of funds of a known quantity, as a matter of statutory right and not CPB discretion.

Furthermore, H.R. 7443 would not allow CPB to foster the use of new communications technologies, such as video-cassettes, broadband cable, and communications satellites. H.R. 11807 is preferable in that it authorizes CPB to encourage educational and instructional uses of these technologies.

H.R. 12808

Turning now to H.R. 12808, we have not yet assessed the full import of some of the modifications this bill would make in the present act. However, the bill addresses some very real issues, such as the restoration of balance between the local stations and CPB.

The bill would take the interconnection and station support functions away from CPB, and have HEW support the operating costs of the stations. The stations could then make their own interconnection arrangements.

Indeed, a number of educational broadcasters are considering the feasibility of just such an arrangement. Some other features such as station representation on the CPB Board of Directors; prohibitions on promotional and lobbying activities, as well as prohibitions on funding of programs on partisan political controversies, are worthy of consideration. Other features of the bill, such as the limitation on funding from a single source and the mandatory GAO audit, may be too restrictive. In any event, the cumulative effect of all these features might be to erode the functions that are both necessarily and properly performed at the national level by CPB.

ADMINISTRATION PROPOSAL

In addition to the specifics of the pending long-range financing bills which I have discussed, as a general matter, we do not believe that a long-range financing plan should be pressed at the present time. This is not to say, however, that the difficulty in devising such a funding approach should stand in the way of continuing the sound development of public broadcasting at a time when its responsibilities are many but its resources are spread thin.

Therefore, the administration's bill provides for a 1-year extension of CPB's authorization at an increased funding level and directs operating support grants to the local stations. The reasons we have not submitted a long-range financing plan are neither complex nor devious. One reason the Congress chose to defer long-range financing in 1967 was that CPB was an unknown quantity.

It would have to go through a development phase before its structure would be sufficiently set to warrant such a financing plan. Today that development process is continuing. The relationships between the central organizations and the local stations are still relatively unclear.

Indeed, the CPB Board has just authorized a study to define these relationships better. Until these matters are clarified and the directions are better defined, we believe that it would be more sound for the Congress not to rush forward with a long-range plan during this session.

The 1967 act needs substantial refinement to provide a stable source of financing, to define clearly and carefully the respective roles of CPB and the local stations, and to take account of technological changes that have occurred since 1967.

While these revisions are under consideration, our 1-year extension bill would allow the growth of the public broadcast system to proceed soundly, during the critical development stages it is now in.

Continuing the administration's record of increasing funds for public broadcasting—the appropriations will have increased by $40 million from fiscal 1969 to fiscal 1973—the present bill adds $10 million to CPB's current level of funding, for a total of $45 million, of which $5 million must be matched by funds derived elsewhere.

In addition to the extension and increase in authorization for CPB, our bill would provide a significant portion of Federal funds to local educational broadcast stations.

CPB currently distributes over $5 million in general support grants to the stations. Our bill would add $10 million for fiscal 1973 and establish a mechanism for distributing a total of $15 million to the local stations, so that they will be effective partners with the Corporation in the development of educational broadcasting services for their communities.

The bill provides for $2 million to be distributed to public radio stations—almost doubling the general support funds which the Corporation now provides them. Because of the large number and enormously diverse nature of public radio operations, the manner of distribution of these radio funds is left to the discretion of the Corporation, to be exercised in consultation with station representatives. The proportion of the $15 million devoted to radio represents the approximate share of total non-Federal public broadcasting support which goes to radio.

The statutory mechanism would also make available $13 million to approximately 140 licensees of public television stations. Two types of grants would be used for this purpose. First, there would be a minimum support grant of $50,000 or one-quarter the licensee's total non-Federal, non-CPB supported fiscal 1971 budget, whichever is less

Second, the licensee would be entitled to a supplemental grant based on the proportionate amount which his fiscal 1971 operating budget, exclusive of Federal and Corporation grants, bore to all licensees' operating budgets during fiscal 1971. There would, however be an upper limit on the amount of the supplemental grant, since no licensee's operating budget would be considered to exceed $2 million for grant purposes.

We anticipate that, taking both types of grants into account, and with a total non-Federal fiscal 1971 budget of over $117 million for all licensees, the minimum distribution in the typical situation would be around $50,000 and the maximum would be approximately $180,000. Station support at this level of funding would give the licensee some breathing time to work with all of us in devising a more long-range financing plan.

CONCLUSION

Mr. Chairman, I have endeavored to summarize the administration's position on public broadcast funding. I hope that I have given you some idea of the problems that concern us, and why we believe it is better for now to seek increased funding for another year. We will continue to work constructively and earnestly next year with educational broadcasters to resolve some of the issues that your hearings have aired.

The Congress in the 1967 act attempted to give practical effect to the Carnegie Commission's eloquent plea for freedom in the public broadcasting system, excellence in its programing, and diversity within that excellence.

Despite the arguments of some that diversity and decentralization are impractical and unworkable, or at least not the best way to enhance the national impact of public broadcasting, the administration is not yet ready to abandon the Congress' grand design.

CPB has made major strides in the relatively short time since it was created. The programs it has supported show that it has a great potential in helping the educational broadcast licensees meet their public interest obligations. There should be no doubt on this point. I have focused my attention on problems with the public broadcast system because there are problems. But there are also accomplishments and successes that would have been beyond the capacity of educational broadcasting if there had been no CPB.

CPB is still going through that extraordinarily difficult process of self-examination and self-definition. Whether this maturation process evolves an entity that can live up to the potential envisioned for it depends to some extent on determinations reached by Government.

We are continuing to play our role in a way that we feel best serves CPB, the local stations, and the public. We agree with the view, expressed strongly during these hearings, that there must be a workable long-range financing plan, as contemplated by the Public Broadcasting Act of 1967, and the administration intends to submit one before the proposed extension of authorization expires.

Mr. TIERNAN. Mr. Chairman, in the middle of page 8, may I ask the witness whether or not he is referring to the Brown bill or the administration bill?

Mr. WHITEHEAD. I am referring to the administration bill.

Mr. TIERNAN. Thank you.

Mr. MACDONALD. Dr. Whitehead, we thank you very much.

When you speak to us, who do you represent?

Mr. WHITEHEAD. Mr. Chairman, I am here representing the administration.

Mr. MACDONALD. Does that mean that the Chairman of the FCC does not speak for the administration?

Mr. WHITEHEAD. That is correct. That is what he said, and that is correct.

Mr. MACDONALD. I am asking you.

Mr. WHITEHEAD. That is correct.

Mr. MACDONALD. You speak for the administration over Mr. Burch? In other words, you have the final decision about what is going to be done in the communications field, as far as the administration is concerned?

Mr. WHITEHEAD. Mr. Chairman, I have been designated as the President's principal adviser on communications policy matters.

Mr. MACDONALD. I know your title, but what do you do? I have been trying to find out for about a year.

Mr. WHITEHEAD. Mr. Chairman, I have several responsibilities. I am the President's principal adviser on these matters.

Mr. Macdonald. Who do you advise?

Mr. Whitehead. I advise the President, sir.

Mr. Macdonald. Have you ever talked to the President about this bill?

Mr. Whitehead. About this particular bill? No, sir.

However, we have had an interchange of correspondence concerning it.

Mr. Macdonald. Who do you talk to, who do you advise?

Mr. Whitehead. Mr. Chairman, I advise the President.

Mr. Macdonald. And you said you never talked to him about it.

It is difficult to get advice, without talking to somebody, I would think.

I have 500,000 people to advise me, but who do you advise?

Mr. Whitehead. I advise the President, sir.

Mr. Macdonald. But you never talk to him.

Mr. Whitehead. I have not talked to the President about this particular bill.

Mr. Macdonald. What do you do?

Mr. Whitehead. I beg your pardon?

Mr. Macdonald. I said, what do you do?

Mr. Whitehead. I was saying, sir, I have several responsibilities. I am the President's advisor on these matters. I am responsible for developing the administration's point of view on communications policy.

Mr. Macdonald. How can you advise the President without talking to him?

Mr. Whitehead. Mr. Chairman, it is not always necessary to talk directly to somebody to advise him.

Mr. Macdonald. Who do you talk to?

Mr. Whitehead. Mr. Chairman, I talk to the President, I talk to——

Mr. Macdonald. You just said you did not talk to the President. Who do you talk to?

Mr. Whitehead. Mr. Chairman, I talk to a wide variety of people.

Mr. Macdonald. Who do you talk to that has anything to do with communications?

Mr. Whitehead. I talk to a wide variety of people.

Mr. Macdonald. Name me two.

Mr. Whitehead. With you, sir, with Mr. Keith to your left.

Mr. Macdonald. I have not talked to you for a year.

What do you mean you talk to me or Mr. Keith?

I do not know how often Mr. Keith talked with you, but I have not talked to you for a year.

Who do you talk to?

Mr. Whitehead. Mr. Chairman, I talk to a wide variety of people.

Mr. Macdonald. I ask you to name two people.

That should not be too hard if you are doing anything down there.

Mr. Whitehead. I could name any number of people.

Mr. Macdonald. Name me two.

Mr. Whitehead. I just have. I also talked to Mr. Brown.

Mr. Macdonald. You named one that rejects your statement. You have not talked to me. Maybe you talked to Mr. Keith, he will be the next questioner, so he will be able to respond to that.

Who else besides me who rejects your statement that you have talked to me.

I have not talked to you for a year.

Mr. Whitehead. Mr. Chairman, I do not recall how long it has been since I talked to you. It has been some time. I talk with a wide variety of people.

I do not think it is feasible for me to delineate all of the people I have talked to here today.

Mr. Macdonald. I am not asking all of the people.

Just name me two.

Mr. Whitehead. I think I have.

Mr. Frey. I have talked to him.

Mr. Macdonald. I yield to the gentleman from Florida.

Mr. Frey. I think the trend of this, Mr. Chairman, he has tried to answer. I think the answer to the specific bill is no, but he, the gentleman, said he talked to the President about other matters. I know he talked to me and to Mr. Keith.

Mr. Brown. I understand he talked to the NAB about a public meeting.

Mr. Macdonald. I don't know if that was terribly helpful, if he did.

What I am truly concerned about, and this is not political at all.

I would just like to know your role.

When I deal with something in communications, everybody on the subcommittee does the same thing, they deal with the FCC.

You say you are superior to the FCC.

Mr. Whitehead. I did not say that, sir, I do not believe.

Mr. Macdonald. Well, you indicated it if you did not say it.

Mr. Whitehead. No, sir.

Mr. Macdonald. What is your relationship to the FCC?

Mr. Whitehead. As the chairman described, we have a close working relationship, we exchange views, information, points of view.

Mr. Macdonald. Do you think you have influence down there at the FCC that they listen to what you say?

Mr. Whitehead. I believe when we put forward our views, the Commission does the courtesy of listening, examining the things that we put forward, and weighing them on their merits.

I believe we have influence to that extent, and to that extent only.

Mr. Macdonald. Mr. Brown and I serve on another committee, called Government Operations.

When your office was set up, I had some reservations, and, of course, Mr. Brown had reservations at the same time, that there would be sort of a conflict of interest between an agency that was set up by the Congress and responsible to the Congress, and some sort of superagency, if you want to call yourself that.

Who are you responsible to in the Congress, anybody?

Mr. Whitehead. I am responsible to the President of the United States, and I am answerable to the Congress.

Mr. Macdonald. In what way?

Mr. Whitehead. Principally, I suppose to this subcommittee, and the corresponding subcommittee in the Senate.

Mr. Chairman, I was appointed to this job by the President of the United States. I was confirmed by the Senate of the United States.

Mr. Macdonald. He appoints postmasters too.

Mr. WHITEHEAD. I said I am answerable to the Congress the same way as every other administration official is.

Mr. MACDONALD. We never hear from you. We do not know what you are doing.

We read in the newspapers what you are doing, but we never hear from you.

Mr. WHITEHEAD. This is the first request I have had to testify before this subcommittee.

Mr. MACDONALD. Well, testimony is not the only way to get along with the Congress, personally, and I am sure the opinion is shared by other members, and they will talk to you about it themselves.

I personally do not understand what your relationship is in running communications here in this country.

I just do not understand it.

What do you do?

Mr. WHITEHEAD. I am an adviser to the President, sir.

Mr. MACDONALD. You said you did not talk to him, so you cannot be much of an adviser.

Mr. BROWN. I understand he did talk to him, but not about this bill.

Mr. MACDONALD. I have not yielded, and you can go into it.

He said he did not talk to the President.

Who do you talk to?

Mr. WHITEHEAD. Mr. Chairman, I talk to a wide variety of people. It is essential for me to do so in doing my job.

Mr. MACDONALD. Well, in your doing your job, who do you talk to?

Mr. WHITEHEAD. I talk to people from industry.

Mr. MACDONALD. Name me two.

We are going back to the same thing. Mr. Frey told me, he said he talked to you, and Mr. Brown, but with all due respect, and the members of this committee, that is hardly the White House.

Who do you talk to down there?

Mr. WHITEHEAD. Who, sir?

Mr. MACDONALD. You said you were an adviser to the President.

Mr. Frey is a very valued member of this committee, as is Mr. Brown.

I believe you talked to them, but that is hardly being an adviser, I don't think, to the President.

Who do you talk to down at the White House?

Mr. WHITEHEAD. Mr. Chairman, I talk to the President.

Mr. MACDONALD. You just said you never talked to the President.

Mr. WHITEHEAD. I said I did not discuss this particular bill verbally with the President, sir.

Mr. MACDONALD. All right.

Who else do you talk to down there?

Mr. WHITEHEAD. I talk with a wide variety of people.

Mr. MACDONALD. Will you stop saying wide variety.

I do not want to use the time of the committee. Just name me two people you talk to in the White House.

Mr. WHITEHEAD. Mr. Chairman, I do not think it would be appropriate for me to get into the details of my relationship with the President and his staff.

Mr. MACDONALD. It is very appropriate.

I do not understand, and I am sure most members of the subcommittee do not really understand your relationship. I read in the newspaper how you are going to do this, and how you are going to do that.

I read it this morning, that you attacked public broadcasting.

Now, if you are attacking public broadcasting, what is the basis of your power, or your influence to attack public broadcasting?

Who do you speak for?

Mr. WHITEHEAD. Mr. Chairman, I am not attacking public broadcasting.

Mr. MACDONALD. Well, did you see, I am sure you did, dated February 3, 1972, Washington Post, for the record, and the headline is "Attack on Public Broadcasting," and then they say, the Director of Telecommunications Policy for the Nixon administration charged yesterday, and all like that, and I will not read it, but I will put it in the record at this point.

Without objection, so ordered.

(The newspaper article referred to follows:)

[From the Washington Post, Feb. 3, 1972]

ATTACK ON PUBLIC BROADCASTING

(By Sanford J. Ungar)

The director of telecommunications policy for the Nixon administration charged yesterday that the establishment of a national news show on public television is "contrary to the spirit" of the legislation which created the Corporation for Public Broadcasting.

Clay T. Whitehead told the Senate Subcommittee on Constitutional Rights that restrictions on CPB, written into the Public Broadcasting Act of 1967, had become "meaningless."

"They produce and write (national) programs anyway," Whitehead said, despite the initial intent of Congress to have public television place its primary emphasis on local affairs and local programming.

Whitehead's remarks, during an exchange with Sen. Roman Hruska (R-Neb.), were specifically aimed at a national news program, featuring former NBC correspondent Sander Vanocur and Robert MacNeil, which premiered on public television (Channel 26 WETA in Washington) last night.

Hruska criticized the fact that Vanocur will receive an $85,000 annual salary from CPB.

Whitehead declined in his response to discuss "personalities," but said that it was assumed in the White House that "public service . . . has its own rewards."

Earlier, in his prepared testimony for the subcommittee's hearings on freedom of the press, Whitehead reiterated and sharpened his recent criticism of "a strong tendency—understandable but nonetheless regrettable—toward a centralization of practical power and authority" in CPB.

"We have in fact witnessed the development of precisely that which the Congress sought to avoid," Whitehead said—"a 'fourth network' patterned after the BBC" (British Broadcasting Corporation).

Yesterday's testimony was Whitehead's second major assault on CPB for allegedly disobeying the wishes of Congress.

In a speech to the National Association of Educational Broadcasters in Miami last October, the director of the White House Office of Telecommunications Policy argued that Congress, following guidelines in a Carnegie Commission report, envisioned a public broadcasting structure "built on a bedrock of localism."

His testimony took on special poignancy because an administration bill to authorize a large increase in funds for public broadcasting is currently before Congress. The bill, however, calls for the channeling of a greater percentage of that money directly to local stations through the Department of Health, Education and Welfare rather than the CPB. The measure covers only fiscal 1973.

Whitehead and Dean Burch, chairman of the Federal Communications Commission, are scheduled to testify today before the House Subcommittee on Communications on the administration bill and other proposals for funding CPB's operations.

The chairman of the House subcommittee, Rep. Torbert H. Macdonald (D-Mass.), has offered legislation—endorsed by CPB—that would fund public broadcasting on a long-range basis—for a five-year period. This would provide a 30 percent share to local stations—versus the current 13 percent—but keep allocation of the funds under CPB direction.

Macdonald has previously complained that Whitehead, as an administration spokesman, is "holding a gun at (the) head" of the public broadcasters with his speeches criticizing them. Whitehead, he suggests, is attempting to influence programming—an area Macdonald argues the government should stay out of.

Whitehead warned yesterday during the Senate testimony that the Corporation risked "the danger of provoking control through the public process" by concentrating on controversial areas of programming.

"No citizen who feels strongly about one or another side of a matter of current public controversy enjoys watching the other side presented," Whitehead observed; "but he enjoys it a good deal less when it is presented at his expense. His outrage—quite properly—is expressed to, and then through, his elected representatives who have voted his money for that purpose."

The White House official said that "the result is an unfortunate, but nonetheless inevitable, politicization and distortion of an enterprise which should be above faction and controversy."

CPB concedes that more emphasis on local programming may be needed, but maintains that some centralized production is both desirable and economic. The Vanocur-MacNeil show, it says, is designed to provide an informative unbiased alternative for viewers, not just duplicate commercial network programs.

As Whitehead spoke, he was filmed by, among others, cameramen from National Educational Television (NET), which produces programs for CPB.

After yesterday's hearing, Sen. Sam J. Ervin Jr. (D-N.C.), chairman of the Constitutional Rights subcommittee, appeared before television cameras and said he hoped Congress would not put extensive controls on public broadcasting when voting funds for it.

But Ervin, making a taped appearance for Bill D. Moyers' "This Week" program, which, coincidentally, also was aired last night over the public television network, made it plain he thought the best route for public television to follow would be to seek as much private financing as possible.

Later, on the same program, Whitehead denied "intimidating" public broadcasting. "I think," he said, "the constant cries of 'we're intimidated' is a form of reverse intimidation, based on the idea that government cannot comment on broad policies or how the taxpayers' money is spent."

Whitehead denied that "the administration has commented on any personalities." What "is improper," he said, is for the government to concern itself with "day to day operations or content" or in "programming or details . . . salaries or certain personnel."

The White House aide said, however, that a proper concern for government occurs "when public funds are being used. The Congress has the responsibility to ask 'are they being used responsibly?' "

Whitehead also told Moyers he was "most definitely in favor of long range financing" for public television and that "the annual method of funding is inadequate. The (Corporation) needs stability for planning. (Such financing) would provide a measure of insulation from government criticism."

Yesterday's Senate subcommittee hearing was also the occasion for an attack on the performance of the three commercial television networks.

Edith Efron, a staff writer for TV Guide and author of the recently published book, "The News Twisters," charged that the "existence of an ideological oligopoly that controls the airwaves . . . is an immense danger to this country."

She said that her research, mostly covering television news programs during the 1968 presidential campaign, had shown a "left-liberal" bias among most newscasters.

"This artificial tyranny must be destroyed," said Miss Efron, and "there is only one way to destroy it without violating the First Amendment . . . not by the petty chivvying and nibbling and the proliferation of regulations that has gone on for years."

She called instead for total abandonment of government regulation of broadcasting and permit it to develop "uncontrolled, unlicensed, unregulated, uncensored and uninhibited—dominated exclusively by the desire to win voluntary customers, and regulated by the law of supply and demand alone."

When that happens, Miss Efron predicted, "those arrogant parasitical growths known as the networks will shrink down to the size of normal syndicated operations—selling their wares in an open market and feeling the bite of direct competition for the consumer dollar."

Prodded by Sen. Hruska to say that the same ideological bias exists among major American newspapers, Miss Efron disagreed and suggested that a "full spectrum" of views is available in printed media.

Although he praised Miss Efron's testimony, Sen. Ervin said her criticisms posed the problem of "who's going to twist the news twisters into righteous conduct."

Miss Efron agreed with Ervin that "we shouldn't become authoritarian as a means of dealing with an authoritarian situation."

Mr. Macdonald. Who do you speak for?

Mr. Whitehead. Mr. Chairman, as I was trying to get to, in explaining my responsibilities——

Mr. Macdonald. We are both trying to do the same thing.

I am trying to get you to answer a question, and you keep saying all available people.

Who do you talk to down there?

Mr. Whitehead. Mr. Chairman, as I said, I talk to a large number of people on the President's personal staff.

Mr. Macdonald. Name me two.

Mr. Whitehead. Mr. Chairman, I prefer not to go into the detailed relationships I have with the President and his staff.

Mr. Macdonald. Do you understand that your funds come from the Congress, that the Congress pays your salary, as mine, that it comes from the Congress?

Mr. Whitehead. Yes, sir; I do.

Mr. Macdonald. Do you think if you are just going to do this thing of saying, well, it is a matter of privilege, or something, that maybe you won't have a salary?

Mr. Brown and I, 2 years ago, questioned whether there was a need for the kind of agency that you are operating and I will speak for myself only.

I really, at the time, I was sort of questioning myself, and now I think there is no need for this.

If you do not speak for the FCC, if you do not speak for somebody in the White House, who do you speak for?

Mr. Whitehead. Mr. Chairman, I speak for the administration.

Mr. Macdonald. Well, the administration appoints, as it has recently, three, four people, on the FCC, and to whom are you accountable, is my question.

Mr. Whitehead. Mr. Chairman, I am accountable to the President.

Mr. Macdonald. But you said on the record that you never talked to him.

Mr. Whitehead. I did not say that, sir.

Mr. Macdonald. Have you talked to the President?

Mr. Whitehead. Yes, sir; I have.

Mr. Macdonald. About what, about this bill?

Mr. Whitehead. Mr. Chairman, I have talked to the President and other people in the Executive Office, and other people on his personal staff on a number of matters, and on a number of occasions. I do not think it is appropriate for me to go into those detailed relationships.

Mr. MACDONALD. Well, I am not going to push it any further, but I wish we could establish who speaks for the administration.

You say you have the complete right to speak for the administration in the field of communications?

Mr. WHITEHEAD. Mr. Chairman, I am authorized to do so.

Mr. MACDONALD. Just say "Yes" or "No."

Mr. WHITEHEAD. Yes, sir.

Mr. MACDONALD. You speak for the administration in the field of communications?

Mr. WHITEHEAD. That is correct, sir.

Mr. MACDONALD. So your support or nonsupport of the bill, is speaking directly for the administration?

Mr. WHITEHEAD. That is correct, sir.

Mr. MACDONALD. And you do or do not support the bill?

Mr. WHITEHEAD. I do not support the bill, sir.

Mr. MACDONALD. Then how would you explain that another appointee from the President, Dean Burch, Chairman of the FCC, does support the bill?

Can you see that would get us a little confused up here, not on the right side of the aisle, but maybe on the left side of the aisle?

Mr. WHITEHEAD. I can see the possibility for some slight confusion.

Dean Burch is the Chairman of the FCC, which is an independent regulatory agency.

Mr. MACDONALD. You are saying you are not independent?

Mr. WHITEHEAD. His role is not to speak for the administration. My role is to speak for the administration, and I am directly responsible to the President in my position.

Mr. MACDONALD. And the President does not support this bill?

Mr. WHITEHEAD. That is correct, sir.

Mr. MACDONALD. The President has spoken, on TV, at least three times, that I recall, and I have not researched it, saying how he thought this was a great idea, that public broadcasting was a wonderful thing.

He added an extra ten million dollars in the budget, and yet he is against the bill.

He talked for it, but he is really against it.

Mr. WHITEHEAD. Mr. Chairman, I have been assuming——

Mr. MACDONALD. Just answer my question, if you will, and I have to yield, because other people want to question you.

Mr. WHITEHEAD. Mr. Chairman, this administration does not support any of the three bills that have been discussed here.

Mr. MACDONALD. You deny the President has said publicly, on at least three occasions, he is in favor of public broadcasting, he wants to see it expanded.

Is he talking for himself or are you talking for him?

Mr. WHITEHEAD. Mr. Chairman, the President talks for himself, and I speak on his behalf.

We do favor public television.

Mr. MACDONALD. That is a pretty good arrangement. You are on both sides of the question.

Mr. FREY. Mr. Chairman, let him answer the question.

Mr. MACDONALD. I will.

Mr. Brown. I think he said they were both for it.

Mr. Macdonald. Will the gentleman answer my question?

Mr. Whitehead. I am not sure of the question.

Mr. Macdonald. The question is, do you deny on three different occasions the President has spoken on behalf of public broadcasting, says that it is one of the things that he wants to see fulfilled and expanded, and your coming here, talking about this, talking against the bill that is before the committee——

Mr. Whitehead. Mr. Chairman, the President has said those things publicly. I am not certain of the number of times. He has said those things, and I agree with them.

The President does not support any of the three bills under discussion here today.

The administration does not support those bills, for the reasons I have indicated in my testimony.

Mr. Macdonald. I will yield, Mr. Keith.

Mr. Keith. Thank you, Mr. Chairman.

I agree, once again. We are getting a little into the question, and I have been listening carefully to Mr. Whitehead.

I thought I heard him say he had not spoken with the President, directly, about this particular bill, but that he has spoken with the President on many occasions concerning communications policy. He said the President has said to him, and to you, and to me, that he does approve of public broadcasting.

I believe this is evident by the fact that they have indicated that they would approve $45 million, instead of $35 million, for the upcoming year.

As to the headline to which you refer: "Attack on Public Broadcasting": I have been similarly castigated by headline writers. They most often look for what will attract attention, rather than what would carry the main thought.

It is very easy to take from this statement that has been furnished to us today—the critical concerns that Mr. Whitehead has listed as contained on page 3—and conclude that it was an "attack" on public broadcasting.

I interpret it to mean that it is an attack on the weaknesses in the existing operation, and that, basically, if the Corporation does what the President has indicated he wants—and what Mr. Whitehead in his remarks has indicated he wants—they would agree upon a long-range funding plan. But the administration feels that public broadcasting has to shape up in order to get the show on the road.

I would like to get into one or two specifics. I had lunch yesterday with John Macy and Frank Pace, and I got the impression from those gentlemen that they would be in touch with Mr. Whitehead. I also got the impression that they had been in touch with Mr. Whitehead recently, and that a beginning was being established with regard to communications between them. I got the impression that they are going to be on the same wave length; that there is a positive approach here on both their parts to have public television follow the wishes of Congress, as outlined in the 1967 debate, hearings, and reports.

To be specific, I would like to refer to the views that I incorporated at the time I voted for this bill some years ago.

I noted that the report of the majority emphasized that stations may not editorialize, but that these same stations may present fair and unbiased programs on subjects of controversy. I set down my concern.

I will submit this report for the record, Mr. Chairman.

Mr. MACDONALD. Without objection, so ordered.

(The following extract from House Report 90–572 was supplied for the record:)

ADDITIONAL VIEWS OF HASTINGS KEITH

While the committee amendments preventing editorializing and providing for a bipartisan board of directors substantially reduce the danger that educational television could become a partisan political tool, we must be aware that the danger has not been entirely eliminated.

It is possible, I believe, that this legislation could, at some future time, permit an educational broadcasting network to support the policies and programs of an incumbent administration. If, for example, educational television had existed in the thirties, how would it have presented news of the administration's plan to enlarge the Supreme Court? In the forties what treatment would have been accorded the destroyer lend-lease arrangement with Britain?

The report of the majority emphasizes that stations may not editorialize, but goes on to say that these same stations may present fair and unbiased documentary programs on subjects of controversy. We must presume that such a fair-mined approach is probable, but we must realistically be aware that it is impossible to appear impartial to every observer. What may be impartial to the Republican voters of one district could be offensively partisan to the Democrats of another and vice versa.

This bill will make of educational television an entity unlike anything we know now. The potential good from educational TV is limitless and much to be desired, but the potential dangers are not to be ignored; we should not consider the Corporation, which we are creating, so independent an entity that at some later date the Commerce Committee may not review and reshape its form and function.

HASTINGS KEITH.

Mr. KEITH. I would gather from Mr. Whitehead's statements here, that he felt that these items listed on pages 3 and 4, that it had not been conforming to the intent of Congress, at least to the intent of the President.

Is that essentially the case, Mr. Whitehead?

Mr. WHITEHEAD. That is right. We feel in many respects, the Corporation has deviated to what we understand to be the spirit of the 1967 act.

Mr. KEITH. This is a rather detailed question concerning the cultural, public affairs, and educational growth of commercial television. As the years go along and public broadcasting is the beneficiary of grants and contributions from foundations and corporations, is there concern that public broadcasting may, in effect, be competing with private broadcasting for high quality programs? Is it possible, that advertisers, for example, would give less attention to cultural programs within the private sector than the public sector because of credit lines given to contributors in public broadcasting? Could perhaps, an alternative method be found that would encourage more public contribution toward improvement? I mean that, in the private sector, television stations could be improving their programs. This, after all, is one of the objectives of this legislation, and of this alternative corporation.

Mr. WHITEHEAD. I am not quite sure I understand your question.

Mr. KEITH. Let me get specific.

Mobil Corp. sponsors a program on public broadcasting.

It pays perhaps, a million dollars to public broadcasting for that sponsorship, and it get a credit line.

That same program has been offered on private stations.

If requirements for educational and cultural time were increased in the private sector, could we not divert more of that kind of money and that kind of programing into the private sector? Couldn't we use existing radio stations and networks, and let public broadcasting become more of an educational medium?

Mr. Whitehead. I see your point. I think you are quite right.

The Corporation for Public Broadcasting in general has a rather difficult role to fulfill in that not only is it to perform certain affirmative functions, such as education, culture, and so forth, but it is to provide an alternative to the mass appeal programing that is given on commercial television. Certainly to the extent that more time, more programing, more money is made available on commercial television, for say cultural affairs, there would be less need for it on public television, and it would be appropriate for public television to do less of that.

By and large, the principle of public television is that it will complement rather than compete with the commercial networks.

Mr. Keith. Perhaps I did not choose the best examples of the kind of programs that have been used; say the so-called public affairs programing. Consider those which use the talents of men such as Sander Vanocur, whose salaries are comparable to or in excess of those paid for public affairs men in the private sector.

You tend to discourage public affairs broadcasts within the private sector and to encourage them within the public sector. You tread a narrow line when you hire personalities as the Public Broadcasting Corporation has done. You increase the audience with these provocative philosophical political programs—but you do it at the expense of programs that could be watched within the private sector.

I yield back to the chairman.

Mr. Macdonald. Mr. Van Deerlin.

Mr. Van Deerlin. Dr. Whitehead, I wish to insert part of your statement of last year in the record. The Chairman of the Federal Communications Commission had called for a permanent financing plan in May of 1970. President Nixon promised such a plan in his 1971 budget message.

How does it occur on May 13, 1971, in a written response to questions brought by Congressman Reigle of the appropriations committee, you wrote:

> As the President indicated in his budget last January, we will be submitting legislation for improved financing of public broadcasting this year.

You said:

> The drafting of the bill is now in its final stages, and I expect it will be referred to the Congress by July. It will be long-term financing.

Dr. Whitehead, who intervened? I do not want to press into the sanctity of those White House relationships, and I do not think the Congress should, but obviously something happened after you wrote that, with that firm promise we would have legislation last year.

Now, who kicked it over?

Mr. Whitehead. Mr. Van Deerlin, no one kicked it over.

That is illustrative of the problem we have had in trying to come up with long-range financing.

We had been having discussions. Obviously at the time I wrote that response, I was very optimistic as to the status of those discussions, and the agreement within the public broadcasting community and the administration, as to what the provisions of a long-range financing bill would look like, and as to the character and the function of that kind of legislation in shaping or defining the general structure set out in the act.

However, as we got down into some of the details in the final drafting, we discovered that what had seemed like a consensus on some important issues, was in fact not so, and that we had to explore them further. As we did so, we found that these disagreements in detail were indicative and symptomatic of really deeper differences, which we began to explore. It was simply a question of trying to do a conscientious job in understanding where we were going and what the problems were. No one intervened to change the situation.

Mr. Macdonald. Will the gentleman yield?

Mr. Van Deerlin. Of course.

Mr. Macdonald. Inasmuch as you said you represented the administration in communications matters, do you feel secure in doing so?

What is your background in communications?

Mr. Whitehead. Mr. Chairman, I do not have an extensive career in communications.

I have been involved in communications matters since——

Mr. Macdonald. Like what, testifying before this committee?

What is your background of knowing anything about communications?

Mr. Whitehead. As a private citizen, I have some general familiarity.

As I was saying, since 1969, I have been in this administration and have dealt with many communications issues.

Mr. Macdonald. What is your expertise?

I hope your administration, other administrations, I am trying not to be political about this, what qualifications do you have to be a spokesman for the administration in the area of communications?

Mr. Van Deerlin. Mr. Chairman, could not we stipulate his credentials are extensive on the engineering side, and what our question really relates to is how does he become a spokesman on legal, legislative or ideological, sensitive political matters.

Mr. Macdonald. If the gentleman will yield further, I could not care less about your philosophical political beliefs.

I just would like to know what recommends you to run.

You say you can tell Dean Burch what to do.

Mr. Whitehead. I did not say that.

Mr. Macdonald. You can tell the FCC what to do.

What is your background that gives you this sort of knowledge by background?

Mr. Whitehead. Mr. Chairman, my professional background is a matter of the public record.

This was discussed in my confirmation hearings before the Senate.

Mr. Macdonald. I was hopeful what was given to us would show something, but they show you had no background in communications.

As I understand it, you are a graduate of MIT, you are an engineer, and all like that, but obviously you have to be a very bright man, but what are your qualifications to be in the communications field to advise the President about what to do about communications.

Mr. Brown. Mr. Chairman, the President——

Mr. Macdonald. He can answer that.

Mr. Whitehead. Mr. Chairman, the President appointed me to this position.

Mr. Brown. Mr. Chairman——

Mr. Whitehead. The President nominated me for this position, and I was confirmed by the Senate.

Mr. Macdonald. I am not asking you that.

Everyone knows you got appointed, but what are your qualifications?

Mr. Whitehead. Mr. Chairman, I believe they are a matter of public record.

Mr. Brown. I just want to observe that the witness has gone through confirmation proceedings, with the U.S. Senate, he is appointed with the advice and consent of the U.S. Senate, just as Mr. Macy is, and he is directly following Walt Rostow, who was President Johnson's——

Mr. Van Deerlin. I thank the gentleman.

Have we given you enough staff, Dr. Whitehead?

When you were before the Committee on Government Operations, on which Mr. Macdonald and Mr. Brown serve, when your office was created, no specified figure was indicated for staffing.

You now have about 65 people, which I reckon to be about 10 more than President Roosevelt had for the entire White House staff prior to World War II. I think you have got more than anybody down there except Dr. Kissinger.

Have we given you enough? Do you think we can count on some long-range financing legislation being drawn up in time for consideration by the Congress?

Mr. Whithead. That is my earnest and sincere desire and hope, sir.

As to your question about staffing, I believe the original estimate for the office was that approximately 30 professionals would be required.

We have slightly more than that number of professionals. Our total number of employees is 65, counting professionals and support personnel. I believe that is adequate. The President's budget request for fiscal 1973 calls for an extension of that level of personnel.

I would just point out as a matter of clarity, we are not members of the President's personal staff as the White House staff is usually referred to.

We are a separate agency within the Executive Office of the President.

Mr. Van Deerlin. Mr. Chairman, will Dr. Whitehead be back this afternoon?

Mr. Macdonald. I intended to go through, but there is a call of the House.

Mr. Springer. Mr. Chairman, a parliamentary inquiry.

Might I ask, what you intend to do?

We are in session, and there is now a quorum call on, and we have a bill from this committee before it.

I have no desire to hold up, but I have to handle it for my side, and I do want to ask Dr. Whitehead some very important questions.

I would hope that we would not continue here over 2 or 3, 4 more minutes.

I have not answered this quorum call. I hope in your discretion we can arrange for Dr. Whitehead to come back at least after this bill is concluded, or tomorrow morning or something, so that I could question him at some length.

I do not want to hold up the committee, but I do not see how else we can do it.

Mr. MACDONALD. As the gentleman knows, I appreciate what the gentleman said, and he is factually correct, except for the fact that there is no motion you could make that would make us adjourn, but I would like to question Mr. Whitehead at greater length myself.

I stopped before I had other questions to go into, so maybe it is better for us to go answer the quorum call, and come back at 2 o'clock.

Mr. SPRINGER. Mr. Chairman, will we be through the bill by 2 o'clock?

Mr. MACDONALD. I do not know anything about that, Mr. Springer.

Mr. SPRINGER. Thank you, Mr. Chairman.

Mr. MACDONALD. Fine.

We will adjourn until 2 o'clock this afternoon, so the committee stands in recess.

(Whereupon, the committee was recessed at 12:30 p.m.)

AFTER RECESS

(The committee reconvened at 2 p.m., Hon. Torbert H. Macdonald, chairman, presiding.)

Mr. MACDONALD. The hearing will be in order.

Doctor Whitehead, you may resume.

I recognize the gentleman from Ohio.

Mr. BROWN. Mr. Whitehead, I am going to resist the temptation to discuss the objectivity of the Washington Post headline, and ask you for the history, if you will, of your organization.

As I understand it, President Johnson during his administration appointed Walter Rostou to head a task force on study of telecommunications policy, a White House staff force which prepared a recommendation, which was eventually, I don't know if it was ever released.

Was that task force ever released publicly?

It finally got out, but was it formally released by the White House?

Mr. WHITEHEAD. Yes, sir, shortly after this administration came into office.

Mr. BROWN. When was the task force originally appointed, do you recall?

Mr. WHITEHEAD. No, I do not recall the exact date.

Mr. BROWN. And then there was established an Office of Telecommunications Management in the White House by executive order, as I recall, and that was headed up by General O'Connell?

Mr. WHITEHEAD. That was established in 1963, as a part of the Office of Emergency Preparedness.

Mr. BROWN. And it functioned within the Office of Emergency Preparedness, as the Office of Telecommunications Management for 7 years, 8 years, until 1970, when President Nixon recommended his reorganization plan of 1970, established the Office of Telecommunications Policy, and that was conveyed and passed, as I recall, as a reorganizing plan, which has that reverse legislative effect, that if the Congress does not disapprove the reorganization plan, then it will become statutory law in this country, is that correct?

Mr. WHITEHEAD. That is my understanding.

Mr. BROWN. I would like, Mr. Chairman, to ask unanimous consent that the letter of transmittal from the White House on February 9, 1970, to Congress from the President, which asks for reorganization plan No. 1, and sets out the functions of the Office of Telecommunications Policy be inserted in the record at this point.

It is a public document from the Government Operations Committee of the House, to accompany House Resolution 841, dated in 1970, and I would be happy to pass it down to the committee members, Mr. Chairman.

Mr. MACDONALD. Without objection, it will be inserted.

(The letter of transmittal referred to follows:)

LETTER OF TRANSMITTAL

THE WHITE HOUSE, *February 9, 1970.*

To the Congress of the United States:

We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect the whole of our society. It has long been recognized that the executive branch of the Federal government should be better equipped to deal with the issues which arise from telecommunications growth. As the largest single user of the nation's telecommunications facilities, the Federal government must also manage its internal communications operations in the most effective manner possible.

Accordingly, I am today transmitting to the Congress Reorganization Plan No. 1 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code.

That plan would establish a new Office of Telecommunications Policy in the Executive Office of the President. The new unit would be headed by a Director and a Deputy Director who would be appointed by the President with the advice and consent of the Senate. The existing office held by the Director of Telecommunications Management in the Office of Emergency Preparedness would be abolished.

In addition to the functions which are transferred to it by the reorganization plan, the new Office would perform certain other duties which I intend to assign to it by Executive order as soon as the reorganization plan takes effect. That order would delegate to the new Office essentially those functions which are now assigned to the Director of Telecommunications Management. The Office of Telecommunications Policy would be assisted in its research and analysis responsibilities by the agencies and departments of the Executive Branch including another new office, located in the Department of Commerce.

The new Office of Telecommunications Policy would play three essential roles:

1. It would serve as the President's principal adviser on telecommunications policy, helping to formulate government policies concerning a wide range of domestic and international telecommunications issues and helping to develop plans and programs which take full advantage of the nation's technological capabilities. The speed of economic and technological advance in our time means that new questions concerning communications are constantly arising, questions on which the government must be well informed and well advised. The new Office will enable the President and all government officials to share more fully in the experience, the insights, and the forecasts of government and non-government experts.

2. The Office of Telecommunications Policy would help formulate policies and coordinate operations for the Federal government's own vast communications systems. It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. It would regularly review the ability of government communications systems to meet the security needs of the nation and to perform effectively in time of emergency. The Office would direct the assignment of those portions of the radio spectrum which are reserved for government use, carry out responsibilities conferred on the President by the Communications Satellite Act, advise State and local governments, and provide policy direction for the National Communications System.

3. Finally, the new Office would enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission. This action would take away none of the prerogatives or functions assigned to the Federal Communications Commission by the Congress. It is my hope, however, that the new Office and the Federal Communications Commission would cooperate in achieving certain reforms in telecommunications policy, especially in their procedures for allocating portions of the radio spectrum for government and civilian use. Our current procedures must be more flexible if they are to deal adequately with problems such as the worsening spectrum shortage.

Each reorganization included in the plan which accompanies this message is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular, the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3), "to increase the efficiency of the operations of the government to the fullest extent practicable."

The reorganizations provided for in this plan make necessary the appointment and compensation of new officers, as specified in sections 3(a) and 3(b) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the executive branch who have similar responsibilities.

This plan should result in the more efficient operation of the government. It is not practical, however, to itemize or aggregate the exact expenditure reductions which will result from this action.

The public interest requires that government policies concerning telecommunications be formulated with as much sophistication and vision as possible. This reorganization plan—and the executive order which would follow it—are necessary instruments if the government is to respond adequately to the challenges and opportunities presented by the rapid pace of change in communications. I urge that the Congress allow this plan to become effective so that these necessary reforms can be accomplished.

RICHARD NIXON.

Mr. BROWN. And in that request the President lists, and the Congress approved, three essential roles for the Office of Telecommunications Policy, and those are spelled out in three different paragraphs which it is unnecessary for me to read, because they have now been put in the record at this point, but essentially, it is to be the President's advisor on Telecommunications Policy, helping to form policy on telecommunications issues, to formulate policies and coordinate policies for the Federal Government's own communications networks, which I assume would be the Defense Department, and weather reporting service, and things of that nature, and finally enable the legislative branch to speak with a clear voice with both the Congress and the Telecommunications Policy office and the FCC.

Is that what you envision your role?

Mr. WHITEHEAD. That is the way I envision it.

Mr. BROWN. I don't know if you took a personal part of the hearings, but you were present on the committee that I served, when it held hearings on this reorganization plan, and I am sure my colleagues on the committee would not be surprised, to find out of the 64 pages of testimony on that plan, I was asking questions on 21 of the pages.

Mr. Macdonald. I am not surprised.

Mr. Brown. I figured you would not be surprised, and I was fairly concerned about the question of overlap because of my service on this subcommittee also, but I am reasonably satisfied from the testimony I heard this morning from both you and the Chairman of the FCC in the limiting nature of the two roles you each undertake. In your testimony, in which you testified, so to speak, against my bill, you state that three objectives with reference to refinement of the 1967 act, and they are, first of all, a stable source of financing, second, to define very clearly and without confusion the respective roles of the Office of Telecommunications Policy and the FCC, and, third, the funding legislation which the chairman put in, which I understand you also oppose, not totally in either case, but because the administration has a bill of its own. In each bill we attempt to undertake the stable source of financing with a 5-year financing program. Would you agree to that?

Mr. Whitehead. Do I agree to a 5-year financing program?

Mr. Brown. Agree to the fact that we attempt to undertake stable source of financing.

Mr. Whitehead. Yes, indeed.

Mr. Brown. In addition, in my bill, I attempted to define as clearly and carefully as possible the respective roles of the CPB and the local stations, and by suggesting 10 members of the Board of CPB be made up of station managers, the bill specifically says station managers, the thrust of my effort is to get representation from local agencies, station management preferably into the CPB, so that the programing developed by CPB will be fully and adequately reflective of the needs and interests of the local stations.

Now, would you say that was an attempt to define the respective roles of the CPB and the local stations?

Mr. Whitehead. Yes, I would.

Mr. Brown. Did you have something else in mind beyond that?

Mr. Whitehead. I think the relationship between the CPB and the local stations is necessarily a complex and occasionally a subtle one.

I do not think you can limit it to just membership on the Board.

There are other things such as how much money the stations are to have, how much they have to get from CPB and the like.

Mr. Brown. In effect, my bill and the chairman's bill, and your bill, the administration bill, and Mr. Tiernan's bill, will attempt to do this.

They attempt to assure to the local stations some direct support from the Federal Government.

Now, if I understood your further testimony, and I perhaps should not pursue it at this point, it supports the position taken yesterday by the National Association of Educational Broadcasters, which is as the total dollars of the Federal moneys increase, the percentage of Federal money which goes to the local stations ought to also increase.

In other words, the localism of the individual stations ought to be protected in the Federal grant procedure; am I correct in that understanding of your testimony?

Mr. Whitehead. That is correct.

Mr. Brown. And I must say, that as I understand the chairman's bill, and my bill, that does not quite occur, and then, third, you said to take account of technological changes as they occurred since 1967.

In my legislation, I have attempted to include a reference to development of CATV and cassettes, by which the software of educational television can be transmitted to the public from different sources.

Do I have this correct, do you have something in mind beyond that in terms of the technological changes that have occurred since 1967?

Mr. **Whitehead**. No, just that the Corporation and the local stations ought to have the flexibility to use whatever technology is appropriate for carrying out the purposes of the act.

Mr. **Brown**. I am sure we will have extensive hearings, and I assume we will have some consideration given in this subcommittee, if not as a collective group, at least individually, to the recent CATV ruling, which was issued by the Federal Communications Commission.

As a matter of fact, just yesterday, as I understand, in that ruling, is there anything that would affect the operation of educational television in this country?

Mr. **Whitehead**. I really have not had a chance to look at the ruling, Mr. Brown.

Mr. **Brown**. I am under the impression, if the ruling conforms to the proposal which was presented to us, I have not had a chance to read it, it is 500 pages long, that the ruling includes or encompasses the use of CATV and the designation of channels reserved for educational television.

Mr. **Whitehead**. I believe the FCC in their August 5 letter of intent, did say they intended to do something along that line, but, as I said, I have not seen yet what they did.

Mr. **Brown**. Now, again, we are pushing into something that really is not the objective of any of these bills, but we are going to have to give some consideration from this committee to both the question of facilities, and the operations support of educational television, that is not licensed by the FCC as over the air broadcast apparently is, because that would be two channels of CATV and—well, let me only say certainly you have to look at the whole thing.

You have to look at one of the reasons why this problem is so complex.

You have to look at not only the programing aspects, and education broadcasting aspects, but all of the new technology coming along, plus the relationship between CPB money, and as you refer in your statement, or as you stated, the FCC rules as they apply to cable.

It adds to the problem and makes it more difficult.

If I could go back to the point, I guess I see a lack of support on your behalf for the chairman's bill, my bill, and the preference for the administration's bill, but that is not equitable to opposition of public television, and there are principles to all of these bills, that perhaps you and this committee must address ourselves to.

I do not know if anybody can speak for the FCC, if the two witnesses earlier were of evidence, but at least there is some agreement between the Office of Telecommunications Policy and this committee in the directions we ought to be taking?

Mr. **Whitehead**. I think there is substantial agreement among the committee, as I understand these bills, and the administration, and between the Corporation for Public Broadcasting.

We all agree that public television is a healthy thing, we all agree there is a strong role for the Corporation for Public Broadcasting to play, and it should be insulated from the Government.

I think we all agree the funding should be principally from non-Federal sources and the Federal Government's role for funding should not be the principal role, but a supplementary role.

Mr. BROWN. May I say to you as a member of the committee, that I am concerned about one of the principles involved in the present legislation, not in the bills, but in the legislation in which we are operating at present, and that is that the Corporation for Public Broadcasting Board of Directors are appointed by the President for 6-year terms, every 2 years, five at a time, and that there is the possibility that any President of the United States, not just this one, or the last one, or the next one, but any President of the United States, as long as the law says that, can, during his term of office, dominate the Corporation for Public Broadcasting, and the law is loosely enough written, never mind the provision against the controversial broadcasting, the law is loosely enough written that right now there is no requirement in the law, there is an authorization, but no requirement in the law that the Corporation for Public Broadcasting pass anything onto the local stations, or that it do anything in the way of programing development authorized, but not required—is that an accurate interpretation of the law?

Mr. WHITEHEAD. I believe it is. I think the intent is very clear that they were to pass on substantial amounts of funds to the local stations.

I would have to consult the law myself, Mr. Brown.

Mr. BROWN. Mr. Chairman, I would like to ask permission to insert in the record a copy of the breakdown of the sources of income for the support of public television stations in 1969 and 1970, which I understand is available.

Mr. MACDONALD. Without objection, so ordered.

Mr. BROWN. It is a study done by I think station managers.

(The breakdown referred to follows:)

CORPORATION FOR PUBLIC BROADCASTING—PRELIMINARY REPORT OF PUBLIC TELEVISION STATIONS' INCOME

COMPARISON OF THE FISCAL YEARS 1969 AND 1970

	Fiscal 1970		Fiscal 1969		Percent increase (Decrease)
	Amount	Percent	Amount	Percent	
Sources of income:					
Intraindustry sources	$8,194,268	7.9	$4,486,300	5.3	82.7
Federal Government	4,981,635	4.8	5,744,000	6.8	(13.3)
Local schools and boards of education	17,509,385	16.9	20,191,700	23.8	3.5
Other local government sources	3,390,577	3.3			
State boards of education	10,658,221	10.3	24,667,400	29.0	21.1
Other State government sources	19,204,567	18.5			
State universities	9,282,588	9.0	5,154,000	6.1	89.0
Other colleges and universities	458,682	.4			
Underwriting	2,513,859	2.4	2,537,800	3.0	(.9)
National foundations	7,401,673	7.1	6,572,700	7.7	30.5
Other foundations	1,174,198	1.1			
Auctions (gross)	3,453,241	3.3	2,177,300	2.6	[1] 58.6
Commercial broadcasting	599,220	.6	187,100	.2	220.3
Subscribers and individuals	6,761,704	6.5	5,746,700	6.8	17.7
Business and industry	2,125,625	2.1	2,072,200	2.4	2.6
Other production contracts	3,511,766	3.4	2,384,600	2.8	47.3
All other fund raising	2,419,183	2.4	3,006,500	3.5	(24.3)
Total station income	103,640,692	100.0	84,928,300	100.0	22.0

[1] 58.6 percent is the true rate of increase, after adjustment.

SOURCES OF INCOME BY TYPE OF LICENSEE, FISCAL YEAR ENDING JUNE 30, 1970[1]

	Community		University		School		State and other	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Intraindustry sources	$6,370,526	13.4	$1,098,860	5.0	$369,606	4.0	$355,276	1.5
Federal Government	1,385,560	2.9	548,100	2.5	395,434	4.1	2,652,541	10.9
Local schools and boards of education	7,087,884	14.9	2,731,843	12.4	7,400,150	75.9	289,568	1.2
Other local government sources	1,093,676	2.3	269,372	1.2	997,944	10.2	1,029,585	4.2
State boards of education	3,225,716	6.8	919,765	4.2	177,117	1.8	6,335,623	26.1
Other State government sources	1,028,538	2.2	5,763,729	26.3	17,050	.2	12,395,250	51.1
State universities	147,753	.3	8,480,717	38.6	107,907	1.1	546,211	2.3
Other colleges and universities	146,977	.3	311,555	1.4	150	0		
Underwriting	2,211,590	4.6	247,959	1.1	21,714	.2	32,596	.1
National foundations	6,261,827	13.1	689,991	3.1			449,855	1.9
Other foundations	990,257	2.1	165,141	.8	16,000	.2	3,100	0
Auctions (gross)	3,166,759	6.6	125,000	.6	97,712	1.0	62,800	.3
Commercial broadcasting	578,923	1.2	29,297	.1				
Subscribers and individuals	6,521,913	13.7	113,444	.5	93,533	.9	32,814	.1
Business and industry	2,058,313	4.3	59,255	.3	1,220	0	6,837	0
Other production contracts	3,114,427	6.5	364,426	1.7	25,235	.2	7,678	0
All other fund raising	2,271,214	4.8	46,843	.2	25,800	.2	75,296	.3
Total income	47,661,853	100.0	21,957,297	100.0	9,746,572	100.0	24,274,970	100.0

[1] Partial support for CPB information project provided by U.S. Office of Education, National Center for Educational Statistics.

Mr. MACDONALD. Has the gentleman from Ohio concluded?

Mr. BROWN. Yes, Mr. Chairman.

Mr. MACDONALD. Mr. Rooney.

Mr. ROONEY. Doctor Whitehead, as the spokesman and as the czar of the telecommunications for the White House, I welcome you to this committee today.

I have been on this committee going on 9 years now, and you are the first spokesman for any of the three administrations I have served under that came here with a presentation that had not been approved by the White House.

Apparently you have a lot of leeway, you have a lot of power. I guess they need somebody at the White House level to guide them in some of the statements and misstatements that have been made by the administration during the past 3 years. With your limited background in communications, I hope your other talents will uphold their decision to name you to this important task.

I would like Mr. Chairman, to ask unanimous consent to introduce in the record an editorial that appeared in this morning's Washington Post.

Mr. Chairman, it is my feeling this is important enough that it should be inserted in the record.

Mr. MACDONALD. Fine.

The article will be made a part of the record without objection.

(The article referred to is the article previously inserted in the record by Chairman Macdonald and may be found at p. 282.)

Mr. ROONEY. Obviously, this whole program was one of the reasons you came out against the CPB in your statement, in Miami last October. Is that correct?

Mr. WHITEHEAD. Which programs are you referring to?

Mr. Rooney. Public affairs, the hiring of two very important and prominent newscasters, Mr. MacNeil and Mr. Vanocur.

Mr. Whitehead. No, sir.

Mr. Rooney. You denounced the Corporation for Public Broadcasting for having these high-type individuals. Did not that initiate your admonishment of CPB?

Mr. Whitehead. No, sir; that did not initiate my speech in Miami.

Mr. Rooney. Well, all of a sudden you, the administration, of all witnesses, have come out in opposition to CPB, which has been so effective. You heard the Chairman of the FCC testify this morning that he favored the Macdonald bill. Everybody, station managers all over the country, testified yesterday they are very satisfied with CPB, they are not dissatisfied with any of the decisions made by CPB.

The only thing they wish they could get was more money.

Now, after all of the testimony you have heard, you are the only one that has come out in opposition to this bill.

Why?

Mr. Whitehead. I think I laid out my reasons in my testimony, sir.

We do not think that the time has come, we do not think the country is ready to rush through a long-range financing bill which involves a tremendous amount of complexity at this time.

Mr. Rooney. You said in your testimony there is need for additional moneys, and you are willing to give CPB an additional $10 million?

Mr. Whitehead. Which I think is fine testimony that this administration is not against CPB.

Mr. Rooney. Are you saying you are for the Macdonald bill?

Mr. Whitehead. No, sir. I explained my position on this. We support the bill that the administration has asked to be introduced.

Mr. Rooney. The first program on public affairs went back to selecting Iowa delegates to the national convention.

This is something that commercial broadcasters could not afford to place before the American public, because they would not have that type of audience looking at it.

The people in New York, the people in Washington, the people in Chicago and Los Angeles, all of the other metropolitan areas in this country, understand what is going on in Washington, but in my opinion, you and this administration are concerned about all of that information going back into the boondocks, into the rural districts of this country. And for your information, there are many areas in this country that do not carry the NBC, CBS, and ABC outlets. I think CPB complements commercial broadcasters, and I do not think commercial broadcasters would want to put a program on such as the one we saw last night, which has been reviewed in every newspaper that I have read. I only wish in my closing remarks, that you go back and take another look at the Macdonald bill, look at the testimony of CPB and of all the affiliate stations throughout this country who came here and testified on behalf of this worthwhile bill. I would like to say, I do not think CPB is encroaching on public broadcasting at all.

Mr. Macdonald. To follow up, before I recognize Mr. Frey, the questions that Mr. Rooney asked, are you influenced by the

White House on your position of what should be done by Public Broadcasting?

Mr. Whitehead. Certainly, to the extent I talk with people in the White House.

Mr. Macdonald. Excuse me. We went through who you do not talk to.

Are you influenced?

Mr. Whitehead. Obviously.

Mr. Macdonald. Well, it seems obvious, but it is not on the record.

Did they tell you what to come here to testify about?

Mr. Whitehead. No, sir.

Mr. Macdonald. Are you personally for this bill, or opposed to the bill?

Mr. Whitehead. To which bill, sir?

Mr. Macdonald. Well, I will just mention the Tiernan bill and the Macdonald bill.

Mr. Whitehead. The administration opposes the passage of H.R. 11807 and H.R. 7443, and H.R. 13208.

We prefer and support the bill that this administration has forwarded to the Congress to extend the funding, and increase the funds for public broadcasting for fiscal year 1973.

We think that is the most responsible course of action for the Congress to take this session.

Mr. Macdonald. We appreciate the responsibility of the White House, but we also have a responsibility here to the people who watch public TV.

Why do you really object to it?

Is it because as was suggested, that Mr. Vanocur got more money than perhaps he deserves or Mr. MacNeil?

Mr. Whitehead. Mr. Chairman, I think I made it very clear, we do not object to either public television——

Mr. Macdonald. You made it clear you oppose the bill, but gave very queer reasons as to why you oppose it.

Mr. Whitehead. I think we have given a number of reasons.

Mr. Macdonald. What is the basic reason?

Mr. Whitehead. Our basic reason is that there are some important difficulties, principally revolving around the role of the local stations in this system.

Mr. Macdonald. Do you want the Federal Government to directly hand money to local stations?

Do you think the Federal Government should be able to determine what local stations will get what kind of money?

Mr. Whitehead. I think that is a proper role for the Federal Government, and I think the Federal Government should do that in a way that entitles the stations to a definite amount of funds.

Mr. Macdonald. Don't you think that would lend, as Mr. Springer well knows, Mr. Brown, and other people who supported this legislation before, what we tried to do was keep the Government out of control of local broadcasting?

Don't you think that just by being human, that you understand if money comes directly from the Federal Government, in that aspect we have been discussing, that that would have some influence on the local stations?

Mr. WHITEHEAD. Mr. Chairman, it depends greatly on how the statute provides that those funds go to the local stations.

I think the way this Administration is proposing to handle this—on a formal basis, as a statutory right, based on the size of the station—shows that the administration is not trying to influence local stations on an individual basis, or on a collective basis.

Mr. MACDONALD. I think one thing every administration forgets is that they come and go, but the Congress stays here.

There is a continuity here, there is not much continuity downtown.

Are you suggesting you want the Federal Government to give directly to local stations direct funds?

Mr. WHITEHEAD. We are proposing that the funds be given to the Corporation, and that the Corporation disburse them in accordance with the formula written in the statute.

Mr. MACDONALD. I have written into the bill the amount of 30 percent.

Do you have any objection to that?

Mr. WHITEHEAD. I have no objection to a 30-percent formula.

But, as I said, I think it should increase over the years, rather than staying constant, and I think that the mechanism under which the funds are disbursed should be written into the statute, rather than being handled by the Corporation staff.

Mr. MACDONALD. In your opinion, who should handle the disbursement, the President or you, or Dean Burch, who?

Mr. WHITEHEAD. I think it is fine to have the Corporation for Public Broadcasting do it.

I think a large part should be done according to statute, which ultimately gives the Congress the say about who gets it and how much goes to each applicant.

Mr. MACDONALD. Thank you, Mr. Tiernan.

Mr. TIERNAN. Thank you, Mr. Chairman.

Mr. Whitehead, I welcome you to the committee.

In response to the inquiry made by my colleague from California, Mr. Van Deerlin, in reference to your testimony before the Appropriations Committee on May 13, 1971, you clearly indicated that you were prepared to present to the Congress by July a long-term financing plan.

That would have been in July of 1971.

Now, today you come before us, and I certainly was not totally impressed by your response to the question of my colleague, and you say the reasons you have not submitted a long-range financing plan are not devious or complex.

If your comments are not devious, why have you not presented a long-range plan of financing for a Corporation for Public Broadcasting?

Have you changed since May of 1971, up to today?

Mr. WHITEHEAD. No; the reason is not complex or devious.

The reason is simply that in exploring the issues, and exploring the alternatives, and considering what is at stake here, we discovered that the problems were complex.

In many cases they were subtle and they deserved most serious attention.

Mr. TIERNAN. Just a moment.

Let me just go back and read your statement.

You say in your statement to this committee today that the reasons "we have not submitted a long-range finance plan are neither complex nor devious."

Now, you tell me it is not the plan, but it is the reasons.

Now, which is it?

Mr. WHITEHEAD. We may have a semantic problem. Mr. Tiernan, I am saying the reason we did not submit the bill was that we discovered the issues we were dealing with were more fundamental and more complex than we thought.

Mr. TIERNAN. Mr. Whitehead, you had those ideas before you since 1969. In fact, you know the history of the bill since you claim to be the adviser to the President, and it was an administration bill, and you must know that bill provided for a 3-year authorization. The House reported out a bill of 1 year. You certainly know what went on before our committee at that time; that we insisted it be 1 year to hold your feet to the fire, to make sure that a long-term financing plan would come up here. We backed off and compromised with the Senate and gave the Corporation a 2-year authorization. You testified before the Appropriations Committee, that you expected a plan to be referred to the Congress by July 1971.

Now, that is last summer, and today you come up and give us reasons you have not submitted a long-range financing plan. I assume you cooperated with the FCC on a long-range financing plan?

Mr. WHITEHEAD. Yes; we discussed it with them.

Mr. TIERNAN. You discussed it with them?

Mr. WHITEHEAD. Yes.

Mr. TIERNAN. I cannot understand the problem. You do not seem to be able to submit any reasons. You say they are not complex, they are not devious.

Mr. WHITEHEAD. I said, Mr. Tiernan, the reason we did not submit the bill at that time was that we discovered the issues with which we were dealing were complex.

Mr. TIERNAN. What issues?

Mr. WHITEHEAD. Questions about the balance within the system.

Mr. TIERNAN. The questions about the balance between the system; is that what is bothering you?

Mr. WHITEHEAD. That is one of the important issues.

Mr. TIRENAN. Is it bothering you?

Mr. WHITEHEAD. Yes, sir.

Mr. TIERNAN. It is bothering anybody else, is it bothering the FCC?

Mr. WHITEHEAD. I cannot speak for the FCC.

Mr. TIERNAN. Who are you talking about meeting with with regards to developing this plan?

Tell us specifically who you are talking about?

Mr. WHITEHEAD. I am talking about representatives of the local stations, both individually and the National Association of Educational Broadcasters, their officials, and members of the Corporation Board and staff.

Mr. TIERNAN. Representatives of the local radio stations?

Mr. WHITEHEAD. The local educational broadcasters.

Mr TIERNAN. One at a time.

You are saying the representatives of the local radio stations?

Mr. Whitehead. Yes.

Mr. Tiernan. Is that a local radio station licensee, or an association they have; which is it?

Mr. Whitehead. Both, sir.

Mr. Tiernan. You talked to both?

Mr. Whitehead. That is right.

Mr. Tiernan. For the record, who did you speak to that represents the local station licensees?

Mr. Whitehead. I talked to officials from National Public Radio.

Mr. Tiernan. Who did you speak to?

Mr. Whitehead. To the National Association of Educational Broadcasters.

Mr. Macdonald. If the gentleman would yield, why don't you just name the people you talked to, instead of giving a broad definition of people; why don't you name people you talked to?

Mr. Whitehead. Mr. Chairman, in some cases, I do not remember the names of these people.

Mr. Macdonald. Can you supply it for the record?

Mr. Whitehead. I would be pleased to do so.

Mr. Macdonald. Without objection, it will be inserted into the record.

How many discussions did you have with those representing the local station licenses?

Mr. Whitehead. I would say at least five or 10.

Mr. Macdonald. The National Association of Educators, is that the group that represents the educational TV stations?

Mr. Whitehead. That is right.

Mr. Macdonald. Educational broadcasters?

Mr. Whitehead. I do not remember the precise number of meetings I have had.

I would be pleased to submit that for the record.

Mr. Macdonald. I would appreciate that, because it seems only recently have we had any indication of any dissatisfaction from your office with regards to the means of financing local stations.

With objection, that will be inserted into the record.

(The following information was received for the record:)

Meetings Between Public Broadcasting Officials and Mr. Whitehead—September 1970 Through January 1972

During the period September, 1970 through January, 1972, Mr. Whitehead met personally on at least five separate occasions with officers and directors of the Corporation for Public Broadcasting, on at least three separate occasions with officials and directors of the National Association of Educational Broadcasters, once with directors of National Public Radio, once with the Public TV Managers Council, and over 15 times with representatives of individual public broadcast station licensees. Moreover, Mr. Whitehead met with representatives of the Corporation for Public Broadcasting while he was a Special Assistant to the President, prior to his appointment as Director of OTP.

In addition, staff members of OTP have met many times with the staffs of the Corporation for Public Broadcasting, the National Association of Educational Broadcasters, and individual public broadcast stations.

Mr. Whitehead met personally with representatives of the following public broadcasting organizations and entities:

Corporation for Public Broadcasting.
Children's Television Workshop.
National Association of Educational Broadcasters.
Joint Council on Educational Television.
National Public Radio.
KUAT, Tucson, Ariz.
Maryland Educational Network, Owings Mills, Md.
South Dakota Educational Network, Vermillion, S.D.
KAET, Tempe/Phoenix, Ariz.
WKNO, Memphis, Tenn.
WQED/WQEX, Pittsburgh, Pa.
Nebraska Educational Network, Lincoln, Nebr.
Kentucky Educational Network, Lexington, Ky.
KLRN, Austin, Tex.
WCET, Cincinnati, Ohio.
KTEH–TV, Santa Clara County, Office of Education, Santa Clara, Calif.
KCET Los Angeles, Calif.
KERA, Dallas, Tex.
Telecommunications Center, Ohio State University, Columbus, Ohio.
WOSU–Radio, Ohio State University, Columbus, Ohio.
WETA, Washington, D.C.
Television Unit, Purdue University, Lafayette, Ind.
Educational Broadcasting Corp., WNET, New York, N.Y.

Mr. Macdonald. Now, the Corporation for Public Broadcasting, it has a Board of Directors, I assume it has an established policy for the Corporation?

Mr. Whitehead. That is correct.

Mr. Macdonald. And this Corporation, their chief officer is Mr. Macy, the person who carries out their policy?

Mr. Whitehead. That is right.

Mr. Macdonald. And the gentleman in charge of the Commission, the Carnegie report, he is Dr. Killian?

Mr. Whitehead. Dr. Killian is a member of the Board of the Corporation.

Mr. Macdonald. He was vice president at one time of the Corporation?

Mr. Whitehead. No.

Mr. Macdonald. In any event, those are all Presidential appointees?

Mr. Whitehead. That is right.

Mr. Macdonald. Has the President made any appointments to that Board?

Mr. Whitehead. Yes; he has.

Mr. Macdonald. How many has he made?

Mr. Whitehead. He has made eight.

Mr. Macdonald. Of the 15?

Mr. Whitehead. That is correct.

Mr. Macdonald. And those eight members that were appointed, did you have anything to do with regards to the screening or recommendation of those gentlemen?

Mr. Whitehead. I was involved in making the recommendations.

Mr. Macdonald. As the adviser to the President on Telecommunications, I would assume you had a large hand in recommending members to that Board?

Mr. Whitehead. You might say so.

Mr. Macdonald. Prior to the speech before the Association of Educational Broadcasters, had you made any public pronouncement with regards to your concern with the balance between the national and local broadcasting?

Mr. Whitehead. I do not believe so.

Mr. Macdonald. And that was made when?

Mr. Whitehead. I do not remember the date. I believe it was in October.

Mr. Macdonald. October 1971?

Mr. Whitehead. That is right.

Mr. Macdonald. Now, you also in response to an inquiry by my colleague from Ohio, Mr. Brown, said you have not seen the ruling made yesterday by the FCC; is that correct?

Mr. Whitehead. That is correct.

Mr. Macdonald. Under the transmittal letter from the President to the Congress of February 9, 1970, "It is my hope, however, that the new office and the Federal Communications Commission would cooperate in achieving certain reforms in telecommunications policy, especially in their procedures for allocating portions of the radio spectrum for government and civilian use. . . ." and it goes on to another spectrum.

You say to us you are not aware of what the ruling was that was made yesterday by the FCC?

Mr. Whitehead. I am aware of some of the provisions of it, but I have not seen the ruling.

Mr. Macdonald. Is it not a fact, that in August, when the FCC sent up the proposed ruling, that you were very, very much involved in November, and in working out a compromise with the CATV operators, and the broadcasters, which was not to the favor of the broadcasters?

Mr. Whitehead. I would not say who it favored but I was involved in working out an agreement.

Mr. Macdonald. Was your compromise substantially accepted by the FCC?

Mr. Whitehead. I don't know. I would have to look at the new rules! I would hope it is.

Mr. Macdonald. You are telling us that you did not know the ruling that was going to be made by the FCC?

Mr. Whitehead. I do not take part in the activities of the Commission.

Mr. Macdonald. Was there any discussions with you prior to yesterday and after November with regards to that rule?

Mr. Whitehead. Discussions with whom?

Mr. Macdonald. With the FCC, or the Chairman of the Commission?

Mr. Whitehead. Yes; there were.

Mr. Macdonald. And you were not told what the ultimate ruling was going to be, and you have to read it, and you have to study it; is that correct?

Mr. Whitehead. That is right.

Mr. Macdonald. Why would you be involved in those things?

As I understand, at one point, the people directly involved were getting sort of together, and resolving their problems, and then I understand, you made some suggestion, that neither side could accept.

No. 1, I will ask you, is that a fact?

Mr. **Whitehead.** I want to understand what you are saying, sir.

Mr. **Macdonald.** Both sides, the CATV side and the broadcasters, the network people, and other broadcasters were coming to some sort of solution to their problem, and our subcommittee was kept apprised of that, and then your office got involved, and I never did understand why.

Mr. **Whitehead.** We got involved, because the parties felt that we could play a useful role in helping them reach an agreement among themselves.

We thought that was a constructive role to play.

Mr. **Macdonald.** Are you satisfied with the agreement that come out between the two parties?

Mr. **Whitehead.** I personally would not agree with every provision in it, but our role was only to try to help them agree, and we did fulfill that function.

Mr. **Macdonald.** Where do you get this power to do this?

Does the Congress give it to you, does the President give it to you, the power to interfere in what is obviously a difficult thing between CATV people, and the broadcasters, and copyright people, who gives you the power to do it, who do you talk to?

Mr. **Whitehead.** Mr. Chairman, I do not think it is a question of power.

These people wanted to reach an agreement among themselves, thinking that would be best for themselves, and for the public.

Mr. **Macdonald.** The way I understand it, they reached an agreement, and then you interfered.

Mr. **Whitehead.** No, sir; that is not true.

Mr. **Macdonald.** That is not true?

Mr. **Whitehead.** No.

Mr. **Macdonald.** But they did talk to you?

Mr. **Whitehead.** Yes; they did.

Mr. **Macdonald.** Who talked to you?

Mr. **Whitehead.** Representatives of the broadcasting industry, representatives of the cable industry, and of the program production industry.

Mr. **Macdonald.** My basic question, I will not take more time, because we have gone over and over it.

Who did you talk to, and why would they talk to you?

Mr. **Whitehead.** They talked to us, because they thought our office could play a constructive role as a neutral observer, responsive to the public interest, in working out an agreement that would be in the public interest, and one that all three of the groups could find acceptable.

They did not feel that in trilateral discussions among themselves they could reach an agreement.

They did not feel it was appropriate to involve the members of the FCC in trying to work out such an agreement.

Mr. **Macdonald.** Why did they talk to you?

Mr. **Whitehead.** Because they felt we could play a constructive role.

Mr. **Macdonald.** How did you make it known to them that you speak for the administration?

As far as I know, there is nothing in the Federal legislation that sets you up to do the job you are trying to do.

Mr. WHITEHEAD. I think they understand the way these things work.

Mr. MACDONALD. What do you mean, the way these things work?

Mr. WHITEHEAD. I think they understand that the reorganization plan says the Director of the Office will be the President's principal adviser on telecommunications, and he will be the spokesman for the administration on this subject.

Mr. MACDONALD. I will have my 5 minutes later.

Mr. TIERNAN. Dr. Whitehead, in this week's Newsweek, you are quoted as saying there is a real question whether the nationally Federal funded part of public television should be carrying public affairs and news commentaries as such programing could generate political trouble for public broadcasting.

First of all, is that an accurate quote?

Mr. WHITEHEAD. It is generally accurate.

Mr. TIERNAN. Now, in your statement, you make a great deal of stress on the fact the Congress set forth that this act was to strengthen local stations, but you do not seem to recognize that the statute of the language in the act also encourages local and national broadcasting?

Mr. WHITEHEAD. I recognize that very clearly.

Mr. TIERNAN. So you think there is an imbalance between the local and the national?

Mr. WHITEHEAD. I think there is a tendency in that direction, and I think that decisions ought to be made more actively by the local station people and with somewhat less direct control by the staff of the Corporation.

Mr. TIERNAN. Even though this Corporation is directed by a board of directors, with eight appointees by the incumbent President, you think they should not have any discretion as to where the funds, which are going to be appropriated by the Congress to the Corporation and then distributed among the local stations, are needed?

Mr. WHITEHEAD. That is not what I am saying. What I am saying is that a proportion of those funds should be returned to the stations as a matter of right.

Beyond that, the Corporation is perfectly free to add to it in special cases in which the Corporation could justify more money.

Mr. TIERNAN. That is what is being done now. We have had testimony for the last 2 days with regards to that.

That is what is being done now.

Now, where does your proposal differ from that?

The only difference I can find from your proposal, and the other suggestions made here is that there has not been sufficient moneys appropriated, or authorized, or whatever way you want to put it, to help local stations to do more local broadcasting. But the Corporation cannot get any additional funds, other than what we are supplying to them, or can they?

Mr. WHITEHEAD. Mr. Tiernan, there is a question of incentives and roles in these kinds of things.

The Corporation needs an incentive to provide a substantial amount of money directly to the local stations. It needs an incentive to take into account in a very real way and in a very practical way what these local stations want. It is entirely different, I think we could all agree, if the local stations have a substantial role as a matter of right, rather than having to come to the Corporation staff on a year-to-year basis, and saying we want this much money this year.

That is an entirely different kind of system. It is a question of whether the power flows from the top down, or whether it comes from the bottom up.

Mr. Tiernan. I say again, here is a Corporation with the board of directors with the President of the United States appointing eight of the 15. Certainly it has clear direction as to policy. You as the Presidential adviser, say not to give any discretion to them.

Why have the board of directors?

Mr. Whitehead. I am not saying they should not be given any discretion. I am saying only a fraction of the funds should be handled in this way without their exercising discretion. The rest of the funds would be totally within the discretion of the board of directors.

Mr. Tiernan. You would like to have the Corporation out of the national broadcasting area, not funding this CPB; is that not correct?

Mr. Whitehead. No, sir. I never said that.

Mr. Tiernan. You have never said it, but is that the way you feel?

Mr. Whitehead. No, sir; it is not the way I feel.

Mr. Tiernan. I would say there might be a little conflict between you and Mr. Agnew, that maybe this fourth network might be a wise idea, because there are some that do not seem to like the commercial broadcasters occasionally.

You seem to like commercial broadcasters; is that correct?

Mr. Whitehead. I think commercial broadcasters, like public broadcasters, provide an important service to this country. I would say that does not mean that we always see eye to eye with them.

Mr. Macdonald. The time of the gentleman has expired.

I think we are off the track, and I recognize Mr. Springer.

Mr. Springer. I thank the chairman.

Dr. Whitehead, the President has repeatedly said on three separate occasions, in the last 18 months, that he supports public broadcasting, the Corporation for Public Broadcasting; is that correct?

Mr. Whitehead. As I said before, Mr. Springer, I do not know the precise number of occasions.

Mr. Springer. I will testify there are three occasions, and I can produce the record.

Now, the difference between the President and this committee, or at least those who have been speaking thus far in the committee, is that they have a certain bill, or certain legislation which they want passed.

The President's legislation is in simple form, it is an extension of the present authority with the addition of how many millions of dollars?

Mr. Whitehead. $10 million.

Mr. Springer. So that this bill for the Public Corporation, Public Broadcasting Corporation is $45 million?

Mr. Whitehead. That is correct.

Mr. Springer. And he has a formula by which that money is distributed, is that correct?

Mr. Whitehead. That is correct.

Mr. SPRINGER. He does not favor the three bills which are presently under consideration by this committee, is that his position officially?

Mr. WHITEHEAD. That is correct.

Mr. SPRINGER. Now, the bill which he does favor is the bill which has been introduced by Senator Magnuson and Senator Pastore, the chairman of the Subcommittee on Communications in the Senate?

Mr. WHITEHEAD. No, sir: we do not support that bill either.

We support the bill which the administration sent forward to the Congress.

Mr. SPRINGER. What is the difference between the Pastore-Magnuson bill and the administration bill?

Mr. WHITEHEAD. It is different in two respects.

It provides $45 million for the Corporation in fiscal 1973 instead of $35 million.

Secondly, it provides that $15 million of that amount must be given back by the Corporation to the local stations according to a formula set forth in the bill, as described in my statement this morning.

Mr. SPRINGER. Now, let me ask you this, the present position and official and only position of the administration and of you, as the spokesman for the administration, is contained in the letter of February 1, of the Office of Telecommunications Policy, to the Honorable Carl L. Albert, signed by you, with the enclosed bill?

Mr. WHITEHEAD. That is correct.

Mr. SPRINGER. All right.

Mr. Chairman, I ask that be admitted into the record.

Mr. MACDONALD. Without objection, so ordered.

(The letter and bill referred to follow:)

OFFICE OF TELECOMMUNICATIONS POLICY,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, D.C., February 1, 1972.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I am submitting herewith for the consideration of the Congress a proposed revision of section 396 of the Communications Act of 1934, which pertains to public broadcasting.

In the Congressional deliberations preceding enactment of the Public Broadcasting Act of 1967, considerable attention was given to the desirable manner of funding public broadcasting. That important question was ultimately left for later resolution, and funds have since then been authorized on an annual or biennial basis that is generally acknowledged to be less than ideal. During the past year, the Administration has undertaken fundamental consideration of this important question and had hoped to present its recommendations during the past session. It developed, however, that basic questions were involved beyond those pertaining to the level, means and duration of funding. In particular, it became apparent that any program for increased funding without annual Congressional review would have to contain carefully drawn provisions to insure disposition of the funds in accordance with the intent of the Public Broadcasting Act.

We have found no consensus within the public broadcasting community on these matters, and hence have been unable to develop our recommendation as early as we had hoped. There is no controversy, however, concerning the continuing desirability of public broadcasting as envisioned by the 1967 Act, nor is there much doubt of its need for increased funds to continue its healthy development. While, therefore, consideration of an ultimate funding procedure continues, we recommend that the Congress adopt the proposals contained within this legislation for another one-year extension of the Corporation for Public Broadcasting's current funding, at a significantly increased level—$10 million above that for the present fiscal year. Federal funding will thereby be established at $45 million, $5 million of which must be matched by funds derived elsewhere. Despite severe pressures on the Federal budget, we feel this increase is desirable to continue the progress of an enterprise which is still in its developing stages.

This legislation also reflects an effort to direct assistance specifically to the individual public broadcasting stations, which currently face severe financial burdens. At present the Corporation devotes between $5 and $6 of its $35 million to general operating support of local radio and television stations. The administration bill seeks to add to this an additional $10 million for Fiscal 1973. It establishes a mechanism for distribution of a total of $15 million to the local stations in a manner which assures that they will be effective partners with the Corporation in the development of public broadcasting service for their communities.

This mechanism provides for $2 million to be distributed to public radio stations—almost doubling the general support funds which the Corporation now provides them. Because of the large number and enormously diverse nature of public radio operations, the manner of distribution of these radio funds is left to the discretion of the Corporation, to be exercised in consultation with station representatives. The proportion of the $15 million devoted to radio represents the approximate share of total non-Federal public broadcasting support which goes to radio.

The statutory mechanism would also make available $13 million to approximately 140 licensees of public television stations. Two types of grants would be used for this purpose: a minimum support grant of $50,000 and a supplemental grant based on the proportion which the licensee's operating budget, exclusive of Federal and Corporation grants, bore to all licensees' operating budgets during Fiscal 1971. The minimum grant would be reduced in those instances where necessary to prevent it from exceeding 5 per cent of the licensee's Fiscal 1971 operating budget (exclusive of Federal and Corporation grants). There would also be an upper limit on the amount of the supplemental grant since no licensee's operating budget would be considered to exceed $2 million for grant purposes.

The Public Broadcasting Act needs substantial refinement—not only to establish its final basis of financing, but also to take account of technical change and operational experience during the first five years of its existence. While the needed revisions are being considered by the Administration and the Congress, this proposed bill will enable the sound growth of the system to continue.

The Office of Management and Budget advises that the proposed legislation is in accord with the program of the President.

A similar letter is being sent to the President of the Senate.

Sincerely,

CLAY T. WHITEHEAD.

Enclosure.

A BILL To amend section 396 of the Communications Act of 1934 to increase and extend for one year the authorization for the Corporation for Public Broadcasting

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (k) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended:

(1) in paragraph (1) by adding "and for the fiscal year ending June 30, 1973, the sum of $40,000,000. *Provided, however*, that $15,000,000 of the funds authorized to be appropriated pursuant to this subsection shall be distributed by the Corporation in the form of general support grants to licensees of noncommercial educational radio and television broadcast stations in the following manner: $2,000,000 shall be distributed to licensees of noncommercial educational radio stations according to criteria determined by the Corporation in consultation with representatives of such stations; and $13,000,000 shall be distributed to licensees of noncommercial educational television broadcast stations by giving each such licensee a minimum support grant of $50,000 or an amount qual to 25 per cent of the licensee's operating budget during the fiscal year ending June 30, 1971 (exclusive of Federal and Corporation funds), whichever is the lesser amount, and a supplemental support grant equal to the proportion which the licensee's operating budget (exclusive of Federal and Corporation funds) bore to the total of all such licensees' operating budgets (exclusive of Federal and Corporation funds) during the fiscal year ending June 30, 1971, except that no such licensee shall be considered for purposes

of the supplemental support grant as having had an operating budget (exclusive of Federal and Corporation funds) in excess of $2,000,000." and

(2) in paragraph (2) by striking out "June 30, 1972" and inserting in lieu thereof "June 30, 1973."

Mr. SPRINGER. Now we know what the administration stands for.

Mr. ROONEY. Will the gentleman yield?

He testified that the President never saw the bill, never approved the bill, he is here on his own, without any support from the administration.

Mr. SPRINGER. I asked him if this is the President's bill, am I right, is this the President's bill?

Mr. WHITEHEAD. That is correct.

Mr. ROONEY. Did the President see this proposal?

Mr. MACDONALD. Just a moment.

Let's stay in order.

Does the gentleman yield?

Mr. SPRINGER. Not further at this point.

You speak for the President officially?

Mr. WHITEHEAD. Yes, sir.

Mr. SPRINGER. As head of his communications policy, you speak for the President, is that not true?

Mr. WHITEHEAD. That is correct.

Mr. SPRINGER. All right. Now I yield to the gentleman from Pennsylvania.

Mr. ROONEY. You testified here time and time again that the President did not approve this proposal, you did not discuss it with him. How can you say this is the President's bill, or the administration's bill?

Mr. WHITEHEAD. Mr. Rooney, I testified this morning I did not discuss this particular bill with the President.

Mr. ROONEY. Is not the President head of the administration?

Mr. WHITEHEAD. He certainly is the head of the administration, and he certainly is in control of his administration, and there are established procedures for determining when a bill represents the administration's position.

This bill went through those procedures, and through discussions within the White House under those procedures. I say to you here today, this is the administration's bill, and the administration supports this bill.

Mr. MACDONALD. Will the gentleman yield?

How do you know that it is the administration's bill if you have not talked to anybody down there?

Mr. WHITEHEAD. I am a member of this administration.

Mr. MACDONALD. I would like the record to reflect that this is about the fifteenth time I asked you who you did talk to, and you never answered me.

Now, Mr. Rooney raised——

Mr. SPRINGER. I decline to yield further, and I will see if I can straighten the record.

Mr. MACDONALD. The time of the gentleman might expire, but I would like an answer to this question, a nonpolitical answer.

Who do you talk to, and when you say it is an administration bill, who have you cleared it with?

Mr. **Whitehead.** Mr. Chairman, this bill has been cleared.

Mr. **Macdonald.** With who?

Mr. **Whitehead.** In the normal process, and according to established White House procedures. It is the administration bill.

If there is any doubt in your mind, you might wish to write the President.

Mr. **Springer.** And if he writes the President, he will get an affirmative answer, and you guarantee him that?

Mr. **Whitehead.** Yes, sir.

Mr. **Springer.** I think that ought to be sufficient for the record without badgering you any further, or whether or not this is the administration bill.

You come down here, doubting you have any authority to speak for the President of the United States.

It has never been done in 21 years I have been on this committee under all of the administrations, and when an appointee of the administration comes down and say when someone asks him if he talked it over with the President, well, I never heard of it. I would not think this is proper to ask someone who has come here to testify, to ask him when he is an appointed official, whether or not the legislation has the endorsement of this administration, but your problem at this time, Mr. Whitehead, is simply that at this point in view of hearing that has happened, the administration is not ready to recommend long-term financing, is that not it?

Mr. **Whitehead.** That is it, simply.

We do not think the issues are sufficiently well sorted out, and agreed upon. In those circumstances it is responsible to recommend to the Congress that they not pass long-term finance provisions at this time.

We think a long-term finance provision is indeed important and essential to funding the services of public television, but it would not be wise to rush through such a provision at this time.

Mr. **Springer.** Mr. Chairman, I do not like to make statements, I think it is more helpful to ask questions and get replies, but I certainly cannot support long-term financing, until I see how some of this is going to be straightened out.

If ever I heard it from home, I have heard it on the Sander Vanocur thing until I am sick and tired of it, of a man getting $85,000, and another getting $65,000 or $70,000 to broadcast a half hour a day, when the Chief Justice of the U.S. Supreme Court, as the Washington Daily News pointed out 3 or 4 weeks ago, makes $62,500.

If this committee does not take those things into consideration, and wonder about long-term financing, we are in one hell of a fix in my opinion.

I think this is serious, and the people who have, I am talking about, who have tackled me here in Washington on this one question, we ought to get this thing straightened out.

We have got part of it straightened out through Mr. Macy and Mr. Pace yesterday, but I am not satisfied to give somebody 5 years of financing, until I know more about this particular phase and how it is going to be handled.

Mr. Chairman, I thank you for your indulgence. May I say in parting, I think you have been an excellent witness. You are just about as good as Bobby Kennedy, and that is about the best that ever appeared before this committee, may I say.

Mr. MACDONALD. I concur with almost everything Mr. Springer said, but I think one of the fundamental questions that has not been really developed is whether or not the Federal Government has influence over the Public Broadcasting System.

Mr. Springer and I, and I know many other people put together this bill back in 1966, it was signed in 1967.

Do you feel the Federal Government should play a role in telling the Public Broadcasting what it should pay to somebody, or what it should not pay?

What is your feeling about that?

Before you answer, if you are going to answer, it seems to me that if you can get somebody for $10 a year, or if you overpay somebody, that is not the business of the Congress.

The business of the Congress in my judgment is have they done what they were set up to do.

Do they supply superior or a different sort of programing.

I cannot speak for Mr. Springer, but I do not think anybody here in the Congress will question whether you overpay or underpay somebody.

I do think it is our duty to see that you are not controlled by anybody in the Government, whether it be the Congress, or whether it be——

Well, any or part of the Government, including yourself.

In your judgment, have they done a good job up until now?

Mr. WHITEHEAD. I think in many ways they have done a very good job.

I think there have been some difficulties, but I think that is understandable, when you are setting up a new kind of organization. As they are quite frank to admit, there have been some difficulties and uncertainty of direction. I must say, I am exceedingly pleased, and I think everybody here can be pleased at the spirit of the people in the Corporation, and in the public television community generally, in that they have tried to recognize the problems and have tried to deal with them.

Mr. MACDONALD. Is that a commendation or not?

Mr. WHITEHEAD. It is a commendation.

Mr. MACDONALD. You are for the present system.

In general, you are for it?

Mr. WHITEHEAD. I think there are some changes that can appropriately be made principally as to this question of centralization. But I certainly do favor the basic system and the basic role of the Corporation for Public Broadcasting, under the 1967 Act.

Mr. MACDONALD. Are there any further questions?

Mr. ROONEY. I would like to correct for the record the statement of the gentleman from Illinois, who has served on this committee for 20 years, and I am sure I speak for the members on this side of the committee, Mr. Springer, when I say your retirement next year will certainly create a real void in our committee. I can sincerely say that this proposal has the approval of the President.

Now, perhaps this issue is presently too hot politically for the President to communicate with the czar of communications. I do know that this administration, as you well know, Mr. Springer, has had more problems with the media than any administration I can remember. But, again, I want to say that I have heard time and time again members of this committee on both sides of the aisle, in both Republican and Democratic administrations, asking the witness whether or not the President approves of this legislation.

Mr. MACDONALD. Could I just answer that?

I understand completely what the gentleman from Pennsylvania said.

I want it cleared up on the record, that nobody is questioning anybody's motives, or why they are here, but it is so difficult to understand, and I am not being political on this point at all, who does speak for the administration, in matters of communication.

You say you do, but we had Mr. Burch, who has been a great Chairman of the FCC, he supports the bill, and then you come down, he was appointed by the President, just like you.

He supports the bill, and you come down, and you say you do not support the bill, so it is reasonable for anybody to question who is speaking for the administration.

Mr. WHITEHEAD. I think when the respective officials state they do and do not speak for the administration, that should clear it up, Mr. Chairman.

Mr. MACDONALD. You took the risk of saying you do, but I do not know how you do, and that is why I asked you, and once again, it is not political.

Mr. Brown and I served on the same Government Operations Committee.

We were concerned with this, about what role that the reorganization would have in creating your position, and it has never been cleared up, frankly.

I hope that Dean Burch, or whoever is going to be Chairman of the FCC runs the FCC.

Mr. WHITEHEAD. I certainly hope so too.

Mr. MACDONALD. But you said earlier today, we had sort of a go-round, we did not have all of that time to straighten it out, you said you speak in communications matters for the administration.

I find that hard to believe. If you say it, fine. I believe you.

What happens to Dean Burch, he does not speak for the administration?

Mr. WHITEHEAD. Chairman Burch speaks for the FCC, as he pointed out, his is an independent regulatory agency.

Mr. MACDONALD. And you are saying you are not independent?

Mr. WHITEHEAD. We are an agency of the executive branch of the Government, and I am directly responsible to the President.

Mr. MACDONALD. Dean Burch was appointed by the President too.

Mr. WHITEHEAD. I think we all understand, Mr. Chairman, that the fact the President appointed him, and the Senate confirmed him, does not mean he speaks for the administration. This agency is independent of the President.

Mr. MACDONALD. Now, I will be political, and I will not ask any any further questions, but you say that because you are appointed by the President, you are not independent of the President, once you take office, that you represent a Republican point of view, and not everybody's point of view.

Mr. Whitehead. I represent the President's point of view, and my own point of view, and the President is head of the executive branch of the Government, in which my agency is located.

Mr. Macdonald. So is the FCC.

Mr. Whitehead. Mr. Chairman, I believe that the FCC is an independent regulatory agency that is not directly under the President of the United States.

Mr. Macdonald. He appoints everybody on the Board.

Mr. Whitehead. That is true.

Mr. Macdonald. And he appointed you?

Mr. Whitehead. That is true.

Mr. Macdonald. I just hope, and the whole purpose of this bill is to try to insulate public broadcasting from influence by anybody, a Democratic President, a Democratic Congress, or any sort of influence.

In my humble opinion, I think that when we set it up in 1967, we tried very hard to insulate it from influence, but the way you are talking today, if I do not misunderstand you, you are talking as a partisan, not just objectively.

Mr. Whitehead. I do not feel I am speaking as a partisan at all. I am trying to represent the view of this administration.

Mr. Macdonald. That is just what I got through saying.

When you represent the view of the administration, or any other kind of administration, you are representing a partisan view.

Mr. Brown. Mr. Chairman, I object to that.

Mr. Macdonald. That is not what you should do.

Mr. Brown. I think that is an unfortunate comment, because I think the President of the United States, in the function he performs as our Chief Executive, whether he is a Democratic President or a Republican President, should not be considered as a mere partisan in public affairs, and I think that someone who is named by him to advise him in his field, should not be considered a mere partisan in public affairs. I really think that is an unfortunate comment, and I must say that I object to it.

I have served on this committee when we had a Democratic President, and I do not know that I have ever suggested to a witness here in the matter of what his association with the President, that he was merely representing a partisan point of view when he was here as a spokeman for the President of the United States in the policy we were considering.

The FCC is a branch of this Government, and the Chairman of the FCC serves on a continuing basis, represents the viewpoint of the FCC, and perhaps not all of the members of that Commission, but to suggest the President of the United States is a mere partisan, I think does some injustice to that office.

Mr. Macdonald. Mr. Van Deerlin.

Mr. Van Deerlin. Dr. Whitehead, in your Senate testimony yesterday, I was a little disturbed to read that you had said you felt news and public affairs programing on public television is in violation of the intent of Congress.

I was a member of this committee in Congress when the public broadcasting bill was passed, and again when it was extended in 1970. I think a good deal of the discussion turned on the desirability of having some alternative input to the American television viewing, particularly in prime time.

Now, I had no idea in my mind, we were going to limit this to ballet and birdwatching and things like that.

If you feel there is some legal restriction that has been violated by public television in this regard, I wish you would make those facts available to us.

Mr. **Whitehead.** No, sir. I am not sure exactly what part of my testimony you are referring to, but I did not mean to imply that.

I think it has been accepted by practice, if nothing else, that public broadcast stations do get involved in the public affairs programs.

The point I was trying to make before Senator Ervin's committee was our concern with the overall balance of the kinds of programing that the Corporation is doing—that is, balance among the various categories, cultural, educational, instructional, public affairs—and a tendency we see for the Corporation to spend perhaps an undue amount of their efforts on those kinds of things that, by and large, the commercial networks get into. That was one aspect of my testimony.

Another aspect of it was just the simple observation, that it rubs a little bit against the grain for the citizen to watch his tax funds being used to support programing on a controversial political viewpoint with which he is in basic disagreement.

I was not trying to argue that was unconstitutional or clearly against the law, but merely to make those observations, in the context of Senator Ervin's inquiry into the relationship of public broadcasting to First Amendment concerns.

Mr. **Van Deerlin.** In yesterday's hearing, Mr. Springer made a point, based on his personal observation of two of the top public affairs programs on public broadcasting. He found both to be well within the boundaries of the stipulation that we set out in the Broadcasting Act, which was in addition to what is contained in the fairness doctrine and in section 315.

Now, I gather then if you could put yourself in the role of a program director, you would seek to beef up the nonnews, nonpublic affairs programing, and perhaps reduce the share of time that is presently given to public affairs.

Mr. **Whitehead.** I think I would prefer to say that we see a tendency toward more of that than is appropriate.

I would like to stay away, sir, from stating my personal views, as to what I would like to see or not like to see, either on public television generally or on particular programs.

Mr. **Van Deerlin.** Mr. Macy estimated, if he could achieve about a 10-percent share of audience, he felt this could fulfill the job that Congress had set out for him. That goal was to provide alternative programing, at a time of day, or evening, and for a segment of audience that was otherwise unlikely to be served, because of the advertising sales needs of commercial programing which depends wholly on the ratings.

Would you look upon 10 percent as a logical figure, or do you think it is a little high. What is your feeling?

Mr. Whitehead. I certainly have no objection to the figure. I do not have any analysis to suggest it is high or low. It seems within the bound of reasonableness to me.

Mr. Van Deerlin. Senator Scott, the Senate minority leader, back when the act was being promulgated in 1967, really left no doubt as to what he felt was the job for public broadcasting in this regard.

He said, "I should like to see Senators, Representatives, the President, and everyone else made fun of within the limits of decency and good taste without any fear that the Senator from Pennsylvania could do anything to the person satirizing."

He says that there is no opportunity for satire. If any does appear, everybody jumps to condemn it.

Do you think Senator Scott is perhaps hoping for too much in an independent, publicly supported arm of broadcasting?

Mr. Whitehead. I think there is a possibility he was, particularly as regards those activities financed by Federal funds.

One can only ask so much from human nature, and one can only ask so much tolerance of the public.

Mr. Van Deerlin. We are going to have to leave it up to Mr. Agnew's friends in the commercial sector?

Mr. Whitehead. No, I do not think that is correct. I think there is a very active role for public television in these things, but the other concerns have to be recognized. We have to realize there are problems.

One of the reasons the Congress set up the Corporation with a 15-man independent board was simply to isolate it from the President. Those men do not work for the President. Those men are independent men chosen for their dignity, their independence, their eminence, and for their contributions to the public. They are not answerable to the President.

One reason we are seeking long-run financing is to avoid the necessity for the Corporation to face the problem of having to come up before the Congress every year to justify themselves. We think a longer range approach provides a little more distance.

These are the kinds of things that the Government can do to move toward the ideal of the system. But we have to recognize the problems.

Mr. Van Deerlin. Thank you, Mr. Chairman.

Mr. Macdonald. Mr. Springer.

Mr. Springer. I did refer to two programs. I felt those two programs complied with the two words, strict adherence.

I did not feel there could be any way in which it could be better presented than the advocates presented it, because they had people on both sides, with equal time.

In the public eye, the Buckley thing, I have not caught him yet, but I am watching him, every time he has had about the stickiest guy on the other side I have ever seen.

When I found out the amount of money, to produce the Buckley programs, my eyebrow went up, but at the risk of offending the chairman, Bill Moyers program last night, in the last 60 seconds, had an editorial about his opinion.

There was no strict adherence to balance and objectivity in that.

He did have on the chairman, and he had on Senator Ervin, and he had you.

He did not have a member of the minority, nowhere in the important part. I would have liked to ask Mr. Moyers whether he knew about section 396.

I will not raise any great objection to it, but if he was not in violation of this, he was on the borderline, and if you want to read it, take the last 60 seconds of what Bill Moyers said on his program. It was an editorial of his opinion, about how much freedom they ought to have, with reference to telecast, and intimidation, without any reference of what section 396——

Mr. BROWN. Mr. Chairman——

Mr. SPRINGER. That is only an opinion. I am not going to object to it, but this is in such contrast, Doctor Whitehead, with what I felt the advocates were doing, and what I think Mr. Moyers could have done to insure balance and objectivity.

In my opinion, it did not reach that or come close to it, but this is one of the things we are talking about.

This is one of the things we are having these hearings about.

May I say to my distinguished chairman, he certainly was a good witness. I thought what he said, what Senator Ervin said was good, but they still did not get to this section, which is the all important part of news coverage, and which every single person who has anything to do with public television with Federal funds, is going to have to observe in the future, and there is no discussion of this whatsoever.

I yield.

Mr. BROWN. Thank you, Mr. Springer, for yielding.

I would like to point out to my colleagues on the committee, and to the witness, and anybody else who is interested, that the section to which Mr. Springer refers to relates to the Corporation for Public Broadcasting, but I think it is interesting to note that in the law also, in section 399, no commercial education broadcasting station may engage in editorializing, or may support or oppose any candidate for public office.

I do not know whether Mr. Moyers editorializing violates the spirit of that or not, but I think it is of some interest, and I think it is exactly what has thrown this whole thing into the public forum, and what precisely has made long-range financing difficult.

Now, my concern as an individual member of this committee, as long as we are having confessionals, is that there is not a lot of difference between a Corporation for Public Broadcasting made up of 15 men, appointed by the President of the United States, with advice and consent of the Senate, getting any amount of money to spend as they see fit, and whether the Federal Government gives it directly.

I would like the stations to be insulated from the Corporation for Public Broadcasting, and that is why I have some interest in seeing that the station managers, who in turn are influenced at the grassroots level of this country, and, frankly, I do not buy the elitist approach that says we all need to have somebody somewhere up above telling us what is good for us, are appointed to CPB's board.

I still happen to have some confidence in the people in my constituency, maybe they can tell us what is good for us, and the local stations ought to be the ones in the position to control the Corporation's plans for national programing, and also have the opportunity to determine how the funds that the people in this country are ultimately going to put up, whether we give them to the Corporation, or whether we give it to HEW, or whether the Congress has them to spend as they will, it will still be the people who have the stations who determine what we will see on public broadcasting, and, frankly, I do not believe people will hold still for some of the things they are expected to pay for, if we don't watch it.

Thank you.

Mr. Macdonald. Mr. Tiernan.

Mr. Tiernan. Thank you, Mr. Chairman.

Doctor Whitehead, in your statement, why the rosy prediction today before this committee on your proposed legislation?

Mr. Whitehead. It is based on an assessment of the discussions we have been having.

I think that the outlook is optimistic. I cannot assure you that we will come up with a long-range financing plan but I state to you it is our intention and our expectation to do so.

Mr. Tiernan. It says intends to submit one.

Now, you said you cannot assure me. It says here the administration intends to submit.

Now you have modified that by saying I cannot give you any assurance.

What are we going to expect?

Do you intend to submit one?

Mr. Whitehead. We do intend to submit one.

Mr. Tiernan. You do intend to submit one, the administration?

Mr. Whitehead. That is correct.

Mr. Tiernan. Before the expiration of 1 year's authorization?

Mr. Whitehead. That is correct.

Mr. Tiernan. Now, I assume this is conditioned upon the premise that we adopt your legislation, the bill that you submitted?

Mr. Whitehead. Based on that assumption, yes, or that something else happens to tide public broadcasting over with Federal funds. But principally it is based on the assumption that the Congress will authorize and appropriate funds for the Corporation for fiscal year 1973. We hope that will be the administration bill.

Mr. Tiernan. Is that intention conditioned on adoption of the formula that you have submitted in your legislation?

Mr. Whitehead. Intention to submit a bill?

Mr. Tiernan. Yes, long-range financing.

Mr. Whitehead. No, sir.

Mr. Tiernan. It is unconditional then?

Mr. Whitehead. No, sir.

Mr. Tiernan. Without conditions, so that within a year, when we come back before this committee, we will have before us a proposal by the administration for long-range financing of the Corporation?

Mr. Whitehead. Mr. Tiernan, I do not want to engage in a semantic dispute.

Intention means intention. At this point in time it is our clear intention and expectation to do so.

Mr. Tiernan. It was your clear intention in May 1971, to submit a bill by July?

Mr. Whitehead. That is correct. Unfortunately, it was not possible.

Mr. Tiernan. So that we cannot have any more gloried expectations of getting a bill by the end of this authorization either, in view of what has happened in the track record?

Mr. Whitehead. I think you can have that expectation.

Mr. Tiernan. Now, the main difference, at least according to you, is that the administration bill recognizes the statement by the stations that they want and need additional funds; is that correct?

Mr. Whitehead. That is correct.

Mr. Tiernan. Can you explain to me why they need the additional funds?

Could you give us any justification before this committee, so that we could go to our colleagues, and go to Mr. Springer and others on the House floor, and justify an increase in the authorization and appropriation to the local stations, from $6.2 million, thereabouts, to $15 million, double the amount they received this year?

Mr. Whitehead. Well, I think there is very clear testimony to this effect.

Mr. Tiernan. We have not had one iota of need substantiated in any fashion.

Do you have any facts to substantiate your position here in testifying in favor of the administration bill?

Mr. Whitehead. We have the facts that many local stations have had to go out of the local production business. We have the stated desire of the local stations, and indeed the Corporation, that the objective is to make available more funds to the local stations, since they need such funds to improve their local programing.

Mr. Tiernan. Do you have any facts you can present to the committee in substantiating that statement?

Mr. Whitehead. I would be pleased to submit it for the record.

Mr. Tiernan. I would certainly think, if we are going to go to more than double the amount of money for the local stations, before I and other Members of the Congress are going to approve any type of formula doing that, we would certainly have to have more facts in the record than we have so far.

Mr. Whitehead. I would be pleased to submit something for the record, Mr. Tiernan.

Mr. Tiernan. We certainly need something.

Mr. Macdonald. Without objection, it will be inserted in the record.

(The information requested appears on page 353.)

Mr. Tiernan. One further statement that I have a great deal of pleasure in reading, was the statement on page ten, where you say that the administration, is not ready to abandon the Congress' great design.

Now, that is a very heavy statement. Yet your whole statement preceding that statement certainly indicates you do want us to abandon the grand design of the Congress in the enactment of the act in 1967, where we did not adopt the suggestion of the Carnegie report with regards to having some money designated specifically in the statute, but left it up to the discretion of the corporate board. So you suggest in your statement, that we do abandon the design, the grand design of Congress.

How do you reconcile those two viewpoints?

Mr. Whitehead. I do not think there is any conflict at all, Mr. Tiernan.

The design of the Congress, as I understand the spirit of the 1967 act, was that the Corporation for Public Broadcasting was established to serve the needs and interest of the local stations, that a long-range financing plan would be provided later on, and that the Corporation—the public broadcasting system, as a whole—was not to be a highly centralized entity, but rather was to meet the diverse interests and needs of the local communities.

Mr. Tiernan. But there is the thing that disturbs me, and I think this is the thing that has been disturbing the chairman.

I do not intend to speak for him, but the thing that disturbs me is that as the adviser and representative of the President and administration, you seek to submit your opinion, your advice, and your viewpoint of how the corporate board should act. You want to substitute in place of the experience and advice and policy of the corporate board, your view on specifically setting forth the formula in the statute; is that correct?

Mr. Whitehead. We do not want to substitute completely our views, or indeed the Congress' views for those of the Board.

We think the Board has an important function, and we are not proposing to take away anything from that function. We are simply proposing to add to the provisions of the 1967 act, a formula, under which a certain portion of the Federal money will go back to the stations. In no way do I think that this would diminish the freedom and flexibility of the board of the Corporation.

Mr. Tiernan. To write in a specific formula, and legislative enactment, certainly does take away flexibility from the Corporation.

Mr. Whitehead. It certainly takes nothing away from the Board's flexibility regarding disposition of the rest of the funds provided for the Corporation, which presumably will continue to increase.

Mr. Tiernan. But it is the Corporation in the original grand design of Congress, that had its mandate set out for it in the preamble and in the other congressional definition of policy. The funds were appropriated to the Corporation and we do not have any control, or any idea of what the local broadcasters, or the local licensee is doing.

Mr. Whitehead. And one of the purposes of the Corporation was localism. The important thing was that the Corporation was to serve the local stations.

Mr. Tiernan. What you are saying is they are not carrying that out?

Mr. Whitehead. I am saying in practice it is not working out quite the way we thought it would in theory. One of the reasons the Congress deferred resolution of the long-range financing was to see if the theory was workable in practice.

Mr. Tiernan. When did you come to that determination, Mr. Whitehead?

You did not make any statement to that before the convention, which was last November. You did not say anything when you sent up the administration bill for continuation of authorization in 1970?

Mr. Whitehead. Mr. Chairman, we came to that determination over the course of the past year of discussion with public broadcasting representatives. I made that statement in Miami only because I felt it was essential to make public to the local station representatives the nature of our discussions, and the nature of the disagreement we were having with the Corporation.

Mr. Tiernan. It seems to me that you have an enlightened interest in this area, and it was only brought out after the hiring of certain personalities. Though you do not want to discuss personalities in view of your testimony before the Senate, it seems to me that it is something that is nagging to the administration.

Mr. Whitehead. Mr. Tiernan, I am confident that representatives of the Corporation and other people in the public broadcasting community will testify that we had been discussing these issues, long before the people you refer to were hired.

Mr. Tiernan. When you made such a positive statement before the appropriations committee in May, and then changed, and do not submit any plan, and then come before us and say it is your intention to submit one before the end of their authorization, I get very suspicious.

Mr. Macdonald. One of the problems, a fundamental problem that I have, just as a Member of Congress, not as a chairman, I have a really difficult problem about whether or not the Federal Government is getting in to try to influence public broadcasting.

As Mr. Springer well knows, we do our best to keep that out of any bill.

Your speech in Miami, which of course we recorded by everybody, that seemed to me to be sort of a direct wedge between the local people and the Corporation.

What did you have in mind in giving that speech?

Mr. Whitehead. Certainly not to drive a wedge. I tried to bring the stations and the Corporation together and to reinforce the concept the Corporation exists principally to serve the local stations.

Mr. Macdonald. Have you had any complaints from the local stations, that they are not being treated fairly by the Corporation?

Mr. Whitehead. I do not think fairly is the right word.

Mr. Macdonald. Do you have any complaints?

Mr. Whitehead. We have had some complaints.

Mr. Macdonald. From whom?

Mr. Whitehead. I am not sure it is appropriate for me to name the people that have expressed their opinions to me, sir.

Mr. Macdonald. You do not find it appropriate to give direct answers, and now Mr. Springer will defend you, but how many complaints have you had about the Corporation?

Mr. Whitehead. I do not think I could put a number on it, sir, but there were enough to convince me that there was a problem.

Mr. Macdonald. One, two, three, pick a number.

Mr. Whitehead. Ten to twenty.

Mr. Macdonald. And how many are there in the country?

Mr. Whitehead. I believe there are some 200 educational television broadcast stations.

Mr. Macdonald. And you say you maybe got complaints from 10 stations.

Mr. Whitehead. Yes.

Mr. Macdonald. What were they complaining about?

Mr. Whitehead. The very things that I have been trying to articulate. They were concerned that there was not enough attention being given to the kinds of programs they wanted, and they did not have the effective voice that they would like to have in the decisions.

Mr. Macdonald. Sir, you have been a great witness and all like that, you have represented your point of view very effectively in my judgment, but they are complaining that network programs that come from the Corporation should not be used, or should be used, or what?

I do not see what they would have to complain about, except more money.

Mr. Whitehead. They all want more money, but they also want a more say and more effective say in how the system operates. They want more flexibility.

Mr. Macdonald. If I could interrupt, don't they have complete say over what goes over the local station, don't they program it themselves?

Mr. Whitehead. They do.

Mr. Macdonald. How can they complain to you about programing that they control?

Mr. Whitehead. But they do not control directly the programing supplied by the Corporation for Public Broadcasting.

Mr. Macdonald. Of course they do not.

The network sends them programs they can or cannot use; if they want to do it, they can put it on, but they do not have to put those programs on.

Mr. Whitehead. They do not have to, but they have very little effective choice of alternatives, since the programs can be distributed in a real time fixed schedule network basis.

Mr. Macdonald. Go back a little.

Mr. Whitehead. The programing is largely distributed on a real-time, fixed-schedule network basis by the Public Broadcasting Service and the stations either show it at that time, or they do not show it.

Now, some of them are equipped with facilities to record and playback, but not as many as should be.

Now, in setting up a network like this, with fixed time schedules, advertising, promotion, etc., the network programing is established very rigidly and this is not, I think, consistent with the intent of the act. I have had many people tell me that this is not what they thought was intended by the Congress. Many local station people have told me it was not what they thought they were going to get from the Corporation, and they did not know how to express their concern, since they did not know that they had a say regarding what the Corporation was doing.

Mr. Macdonald. I do not have any hard and fast opinions about this bill, the one I put in, but I do not understand where the complaints would come from.

Mr. Springer. Would the gentleman yield?

I have had five stations complain to me, five in number.

Now, that is not 200, but I said there is general agreement there among the five stations at least.

Now, the one thing they are objecting about is that they do not have enough money.

Out of this money pot, they want more money. This is one of the things.

The other thing, I have not gotten deeply enough into it, the question of how much they can use the programs.

Some of them say they can use the programing well, others say they cannot.

Whether that is a complaint, I have not made up my mind, except it has been brought up, but there is this question, among many of the stations, especially the poorer ones, that they think they ought to have more of the pot.

That is the big complaint that I have, and I yield back, Mr. Chairman.

Mr. **Macdonald.** Obviously people want more money, but that is not what we are here today about.

We are here today about how the thing has worked in overall, what complaints do you have as representing, as you say you do, the administration.

What things do you think are wrong about what is happening now?

I voted for the bill, I have a bill in now.

If I know something is wrong, I do not want to do it. Nobody has testified about what is wrong with it.

Do you know what is wrong with it?

Mr. **Whitehead.** I have tried, Mr. Chairman, to say I think there are two principal things wrong.

There seems to be a trend toward a network schedule, which does not provide the stations with the kind of flexibility that I think they would like to have.

Mr. **Macdonald.** Stop that.

The networks send the programs out, and we all know the local station does not have to use it, that is what you are talking about.

They do not have to put it on. What is the problem about that?

They say no, we are no going to use it. They do not even say no, they just do not put it on.

What is the problem of that?

How can a local station say they are being influenced, when they have got the final decision about what programs they are going to put on?

Mr. **Whitehead** A take-it-or-leave-it decision is hardly the kind of flexibility or diversity that I think was intended.

Mr. **Macdonald.** Well, diversity, I do not know what you mean.

Mr. **Whitehead.** I think I mean what Commissioner Johnson said this morning. That is, the opportunity to exercise choice. Local stations ought to have this opportunity.

Mr. **Macdonald.** If I am incorrect in saying that the local stations can just say they do not want to put on a program, am I incorrect in saying that?

Mr. **Whitehead.** No, sir, they have that limited opportunity.

Mr. **Macdonald.** So why is it up to them to get a better program?

They are in business themselves. They testified here they get 10 percent of the audience. Frankly, I think it is higher sometimes. Note Sesame Street, which has been overworked, as an excuse for public broadcasting, but things like it are very hopeful, and I believe channel 2 in Boston, it brings programs that you would not get on a commercial station.

That is what they were set up to do, that is what they do do, so what is the complaints that you get, that they do not have enough opportunity to put on their own programs?

Mr. WHITEHEAD. It is partly that, and partly that they do not have the sufficient voice in the planning of what the Corporation will be doing on a national level.

Mr. MACDONALD. Who cares what the Corporation does?

If the Corporation does a good job, fine, but if it was not doing a good job, the Congress would not fund the Corporation.

That is what everybody forgets. Maybe public broadcasting is a bad idea. I don't know. I don't think so myself, but we will see.

You say you get complaints.

What do they complain about?

Mr. WHITEHEAD. I told you, sir, they complain about the lack of an effective say, in what kind of a programing that is done by the Corporation.

Mr. SPRINGER. Will the gentleman yield?

I have just this one thing, I think the chairman is trying to get his point correctly, but I think there is a misunderstanding between the witness and the chairman.

What I think the witness has said, and you correct me, is it true that they do not have to put the program on if they do not want it, but the point you are trying to make of it is that they do not have any say in the beginning, or influence with the Corporation in determining the diversity of the programs created is not that correct?

Mr. WHITEHEAD. That is what I am saying.

Mr. MACDONALD. Your answer to Mr. Springer was not quite correct, in my judgment, and if I am wrong, you correct me.

Don't they have the ability to put on their own programs, if they get enough money to produce them?

Mr. WHITEHEAD. If they have enough money, but they never have enough money to produce them.

Mr. MACDONALD. So what you are really saying is we need to give the local people more money to produce programs, right?

Mr. WHITEHEAD. That is right.

Mr. MACDONALD. So you are for the bill?

Mr. WHITEHEAD. Mr. Chairman, there are some aspects of your bill I find very desirable.

Mr. MACDONALD. I am sure that is the best I can get out of you.

Mr. TIERNAN. Doctor Whitehead, in response to Mr. Springer's question, your answer was not fully correct. Is it not a fact that the Board of Directors for PBS is made up of station licensees?

Mr. WHITEHEAD. In principle, yes.

Mr. TIERNAN. Don't they initially review proposals for programs that will be developed by that entity?

Mr. WHITEHEAD. By the Corporation, yes.

Mr. TIERNAN. Not by the Corporation, but by PBS, Public Broadcasting Service?

Mr. WHITEHEAD. It is my understanding that PBS is simply a program distribution and networking service, and they choose the programs they will carry from a variety of sources.

Mr. Tiernan. And the majority of that Board is made up of whom?

Mr. Whitehead. The local station managers.

Mr. Tiernan. So that in response to Mr. Springer's inquiry, as to whether or not the local stations have anything to say about initial input, the answer is that they do, because they are on the Board of Directors of that service, the Public Broadcasting Service?

Along the question of the chairman, if you say to us here today, that your bill, the administration's position, is more feasible and more to your liking because it gives the local stations about $13 million, it would seem to me that you would be up here in support of the Macdonald bill, which would provide $19 million, a little more, to the local stations.

I mean if they are in such dire need of financial assistance, why would not you go all the way then?

Mr. Whitehead. As I said, there are some features of the chairman's bill I find very desirable.

Mr. Tiernan. Which ones do you find desirable?

Mr. Whitehead. I was going to say that there are some of them that cause problems. In this case, there is a problem with the Federal budget. Considering all of the priorities, the budget simply will not stand that kind of increase.

Mr. Tiernan. You mean they cannot stand the additional $6 million, or do you think it is because there is no justification for it?

Mr. Whitehead It is principally a question of budget priorities.

Mr. Macdonald. Will the gentleman yield?

Have you taken a look at what the budget is set for for next year?

Mr. Whitehead. Yes, sir.

Mr. Macdonald. Do you think that $6 million has any effect on anybody's budget?

Mr. Whitehead. I must confess that $6 million is not a large sum relative to the total budget.

Mr. Macdonald. Why don't you fight for it?

You say you speak for the President. Why don't you have some clout down there?

Mr. Whitehead. Mr. Chairman, as I said, I do not want to get into the details of my relationships with the rest of the Staff in the Office of the President, but I can assure you, I have been among those arguing effectively for an increase for the Corporation, and you have seen that increase proposed for the Corporation.

Mr. Springer. Mr. Chairman, there are some things I could ask, but I think that this has been gone into pretty exhaustively.

I think I understand the witness, as to what his position is, as representing the administration, and what his position is with reference to the pending legislation, what his legislation is itself, and what Senators Magnuson and Pastore, what their legislation does.

Now, I think that is pretty important, that we understand those details.

The rest of this, I think it has been important. I think it has been a good discussion all the way around, maybe a little repetitive, but nevertheless, I think the witness has held his cool pretty well, considering the pressure he has been under. I don't think I have any further questions.

Mr. Brown. My only request from Mr. Tiernan, was to suggest we have one more witness, who happens to be a station manager from the State of Ohio, who might be able to enlighten us on some of those relationships between station managers, the Corporations, and the Public Broadcasting Service.

Mr. Macdonald. Your statement, I congratulate you on handling yourself, as an effective witness here, as I am sure, you know, there is nothing personal in our discourse, but what I do not really understand is why does not somebody down there hire people who know something about communications.

I do not think on your staff you have many people who are knowledgeable about communications.

I looked it up, so I will not trap you, but I think you have one guy who used to be a station manager some place, but nobody else.

They are all very bright, but nobody has any experience in communications.

Now, I just ask, in closing—why?

Mr. Whitehead. Mr. Chairman, I respectfully disagree.

I think we have an outstanding staff, with a very broad background of experience, many of them in communications, and some in broadcasting.

Mr. Macdonald. Will you send me a list of anyone who has any background in broadcasting?

Mr. Whitehead. I certainly will.

Mr. Macdonald. Without objection, it will be made a part of the record.

(The following information was received for the record:)

Staff Members of OTP With Experience in Broadcasting or Broadcasting-Related Activities

The following OTP staff members had experience in broadcasting or broadcasting-related activities prior to their association with OTP:

Walter R. Hinchman (Assistant Director)—worked as a private consultant to the Corporation for Public Broadcasting, RCA and the 20th century fund, in addition to being a staff member of President Johnson's Task Force on Communications Policy, and Chief of the Spectrum Utilization and Satellite Systems Group of the Institute for Telecommunication Sciences, U.S. Department of Commerce.

Brian P. Lamb (Assistant to the Director)—formerly assistant general manager of station WLFI-TV, Lafayette, Ind., and a UPI radio news correspondent.

Henry Goldberg (senior attorney)—formerly in private law practice with Covington & Burling, Washington, D.C., dealing with regulatory problems involving both commercial and noncommercial educational radio and television broadcast stations.

Stephen E. Doyle (senior attorney)—formerly in private law practice with Haley, Bader & Potts, Washington, D.C., dealing with broadcast regulatory problems.

In addition, OTP draws upon a highly experienced group of staff members and consultants, who are expert in the wide range of governmental and private, international and domestic telecommunications activities which comprise OTP's official responsibilities in addition to broadcast policymaking.

Mr. Macdonald. There is one on your staff who used to be a station manager some place.

Everybody else, they are all from Rand, or they are computer people.

They all are I am sure very bright, but what do they know about communications?

Mr. WHITEHEAD. Let me say in that regard, sir, our agency has a broad responsibility, and with the small number of people we have, we must have people who can cover a wide range of subject material.

The industry and members of the public have been very forthcoming in giving us the benefit of their experience, technical data, expertise, and we are structured to draw on that. I believe we do draw on this information very effectively.

Mr. MACDONALD. I am not knocking it.

I am just saying, if I had something to do with specifically communications, I would hire somebody who had some experience in communications, but you seem to be doing all right throwing your weight around here.

We welcome you here, and we appreciate your testimony, and if there are no further questions, you are excused.

Mr. WHITEHEAD. Thank you very much, Mr. Chairman.

(The following letter was received for the record:)

CORPORATION FOR PUBLIC BROADCASTING,
Washington, D.C., February 14, 1972.

Hon. TORBERT H. MACDONALD,
Chairman, Subcommittee on Communications and Power, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In his testimony before the Subcommittee on February 3, 1972, the Director of the Office of Telecommunications Policy, Clay T. Whitehead, "reduced to their essentials," to use his phrase, four concerns he has with the shape of public broadcasting.

Because we must conclude that these concerns lie behind the opposition of OTP toward H.R. 11807, we believe that it is important to respond to this testimony and to seek to clarify the record of public broadcasting's performance.

Dr. Whitehead said: "1. The independence of the local stations has suffered because CPB has not devoted sufficient funds to station support grants and grants for purely local program production."

In fact, witness after witness from local public broadcasting stations testified before your Subcommittee that there was no threat to their independence from any source and that it was precisely this local autonomy which they placed before all other concerns.

It is true that the Corporation has not been able to provide stations with general funds to the extent it would like and to the extent of the stations' requirements. This arises, however, not from a lack of adequate resources for CPB. I believe that your bill, H.R. 11807, would rectify this situation by establishing that a minimum of 30 percent of CPB funds would go for this purpose and by authorizing a much-needed increase in the Corporation's funding level.

We must recognize, I believe, that full independence for any enterprise—the Corporation, the stations or any other entity—is not possible in a climate of financial insecurity. Your bill would not greatly reduce this insecurity.

In reference to this point, I would also underline a paragraph from a statement submitted to the Communications Subcommittee on February 1 by James R. Killian, Jr., the distinguished former chairman of the Carnegie Commission on Educational Television who has served on the Board of CPB since its first days. In that statement, Dr. Killian said:

"When they studied the financing of educational television in 1966 the members of the Carnegie Commission concluded that the Corporation would need as a basic minimum an annual budget of $56 million during the first four years if its contribution to the improvement of the system was to be meaningful. The Carnegie Commission did not envision the Corporation as having responsibility for public radio (a responsibility appropriately added by the Congress), and supplementing this annual $56 million, we saw the need for the Department of Health, Education, and Welfare to provide funds in direct support of local station operations. The reality of the situation during CPB's first four years has fallen short of these estimates. In place of the expected $56 million annually CPB has received annual appropriations of $5 million, $15 million, $23 million and $35 million, constituting an overall average below $20 million a year."

In the light of this reality, I believe criticism of CPB for failing to distribute money it did not have is unjustified.

Additionally, there is a tendency to neglect the fact that whatever the level of direct support from CPB to the stations might be, that support will never represent a major share of local station revenues. In the current fiscal year, of approximately $210 million in all public broadcasting revenues, only $54 million—or 26 percent—is federal money, and this includes not only money from CPB, but all of the monies handled by HEW, including such funds as the grants from the Office of Education to Children's Television Workshop. In contrast, local and state funds account for 46 percent of the total of local revenues.

Dr. Whitehead's second assertion was: "Local station autonomy has been undercut by the CPB and PBS use of interconnection facilities to establish a fixed-schedule, real-time network contrary to the intent of the 1967 Act."

This denies a crucial fact: 7 of the 11 members of the board of directors of the Public Broadcasting Service are from local stations. PBS was created to be and remains a station membership organization and an instrument of local stations.

There is necessarily a fixed schedule for the transmission of programs over the interconnection. Further, limited funds prevent ~~us~~ from sending to the stations two hours of programming for every hour they would place on the air. And limited funding has prevented many local stations from having either the equipment or the materials with which to record and store the signals as they are fed over the interconnection. Therefore, the fact is that in most cases, the stations choose to air many programs as they are fed on the interconnection.

As our testimony before the Subcommittee shows, we are committed to policies which will provide local stations with an increased selection of programming. We are mindful that technical capacities must be improved and we remain absolutely faithful to the continued maintenance of local station autonomy. We have sought to make balanced progress in a great many areas and we believe now as we have believed throughout that it would be a disservice to the development of public television to place undue stress on the development of one element of the undertaking at the expense of other elements. To the degree that additional funds are made available, such as the enactment of H.R. 11807 would provide, the proportion or percentage of funds made available in community service grants to local stations would increase.

Dr. Whitehead's third assertion was: "Program diversity has not been enhanced, since national programs are produced or acquired in effect by CPB's 'in-house' production entities, which are also local broadcast stations. Moreover, the national programming seeks a mass audience for news, public affairs, and entertainment programs."

In fact, Dr. Whitehead would appear to be making two separate charges, and I would like to respond to each.

Let me initially correct two incorrect assumptions in Dr. Whitehead's overall point: first, there is absolutely no hard news transmitted over the interconnection: secondly, and in compliance with our legislation, the Corporation does not undertake the production of programming and any suggestion that there exists "in-house" production does a great disservice to the independence of local producing stations.

To the charge that the programs on public broadcasting originate, in the main, from public broadcasting stations, we happily agree. Not only did the number of contributing television stations increase to 22 last year, but we have recently taken steps—by moving away from emphasis on seven major production centers to an increased emphasis on aiding all public television stations to produce programs for more than local viewing—to further increase the number of stations contributing programs for viewing beyond their own city.

Mr. Chairman, this origination of programs from local stations is one of the unique strengths of public broadcasting—both radio and television—and it is an emphasis of incalculable importance to the growth and strengthening of public broadcasting at the local level. Were we to turn from this policy of encouraging the production of programs by local stations for more than local use, we cannot imagine that the beneficiary would be the American public.

To the final portion of Dr. Whitehead's third point, I need only suggest that if we were to seek mass audiences, we would hardly be encouraging the types of programs available on public broadcasting stations. While opera or French cooking or fine drama or regular public affairs programs of high quality might be offerings we wish would be increasingly important in the lives of Americans, we would be suffering from the greatest self-delusion if we were to suggest that these and the great majority of the programs available on public broadcasting are of interest to more than a small number of viewers—though it is of utmost importance to note that the composition of the viewers of public television and the listeners to public radio change as the programs change.

Thus, public broadcasting seeks to serve an audience whose size is not absolute, but cumulative, whose composite total of viewers and listeners are those drawn selectively and even occasionally to public broadcasting.

Dr. Whitehead's fourth point was: "Not enough attention is devoted to achieving two important balances: the balance between local and national programming, and the broad balance among cultural, entertainment, news, public affairs, education and instructional programs."

Again, Dr. Whitehead makes two separate charges. To the first, I presume Dr. Whitehead is not objecting to the 10 hours of children's programming on PBS weekly which include "Sesame Street," "The Electric Company" and "Mister Rogers' Neighborhood." We must then conclude that he is suggesting that the other 13 hours of programming made available each week on the interconnection is excessive even though this is a significantly smaller total than, for example, the 87 hours which CBS supplies each week. Without again belaboring the point that local stations may choose to run or not to run the programs offered to them. I must note that in fiscal year 1971, the average public television station broadcast 65 hours per week. Thus, programming from the PBS interconnection accounted for 35 percent of the average broadcast time of local stations or 20 percent of the total when we figure non-children's programming as a share of the total.

I quite simply submit that this is an average that the local stations and the Corporation believes to be well balanced.

Constantly, through various surveys and reports, information is solicited and studied regarding the reaction at the local station level to the balance and composition of programming transmitted over the interconnection. We assume this information reflects the reaction found in individual communities. We solicit the views of local stations to plan programming and make scheduling decisions with those views in mind. Each week the incidence of use of interconnection transmitted programming is gauged for each of the public television stations.

At the national level, the Advisory Committee of National Organization of CPB—through the many and diverse organizations thereon represented—provide an invaluable source of references to the Corporation and PBS regarding the reaction in the many constituencies to the efforts of public broadcasting. A special program evaluation subcommittee of ACNO is established for the specific activity its name suggests.

Regular quarterly evaluations of programming are made by local stations, regular meetings are held between the staff members of the Public Broadcasting Service and local station representatives, an annual survey of local station managers is taken by an independent firm, communications *between* local stations and PBS—not from PBS to local stations, but between PBS and local stations—is quite literally constant.

To the objection which Dr. Whitehead has registered regarding the balance of programming, I can only suggest that the theater, public affairs, classroom oriented shows, minority programs, classic films, professional and adult learning, financial matters and home arts programs available on public broadcasting offer a broad and rich selection of programming found nowhere else.

Mr. Chairman, the record of public broadcasting is a record of responsiveness: responsiveness of the board of directors of CPB to the Public Broadcasting Act of 1967 and to the guidance from the framers of that legislation; responsiveness on the part of the nation's professional public broadcasters to both the mandate of the Congress and the needs of the American people in the many communities served by public radio and television.

Sincerely yours,

JOHN W. MACY, Jr., *President.*

Mr. **Brown**. Mr. Chairman, we have had representatives of the National Association of Educational Broadcasters before this committee, and we have had spokesmen with reference to the function of the Corporation for Public Broadcasting, and we have had board members of individual stations, but I thought it might be helpful for us, if we had a station manager of a station which does not serve much of my district, but is in my area, and which has a unique relationship, I think, relatively unique, in terms of both instructional programing and educational programing.

Mr. Charles Vaughan is the manager of a station that is located in Cincinnati, Ohio, WCET. As such, he has been for sometime involved in the various organizations that make up the Public Broadcasting System, the Station Managers Organization, and, of course, these are part ultimately of the relationship of the Corporation for Public Broadcasting, which is the subject of our legislative consideration here.

I asked him if he would speak to this group as a station manager, rather than as a member of these organizations, and to give us the benefit of some of his candid observations, because he has been very candid with me about the relatio[illegible]ps.

Mr. **Macdonald**. Our next witness is Charles Vaughan, general manager, educational television station WCET in Cincinnati, Ohio.

STATEMENT OF CHARLES W. VAUGHAN, PRESIDENT AND GENERAL MANAGER, TELEVISION STATION WCET, CINCINNATI, OHIO

Mr. **Vaughan**. Thank you very much, Mr. Chairman.

I would like to outline for you very quickly what the Cincinnati educational television station needs in order to serve the citizens in southwestern Ohio, as an example of what many other stations need as well.

For instance, there are an estimated 90,000 functionally illiterate adults within reach of WCET. We know television could effectively train these people and we know we could do the job. It will require about $750,000 or less than $10 per person.

About 200,000 citizens within range of WCET lack a high school diploma. Through limited programing in this area we know television can be of major assistance to help these people pass the state high school equivalency test and open more meaningful lives for them.

It will require about $300,000 to provide the programs and related materials.

The schools in the greater Cincinnati area are presently using the 6 hours of instructional television programing WCET provides each school day. The station needs improved instructional programs, many of a strictly local nature to provide improved services to teachers and students. A minimum of $200,000 additional is needed yearly for this.

WCET feels a need to bring government to the people and the people to the government. We need to televise city council and other governmental and civic meetings to involve as many people as possible in the process of government.

We need at least $100,000 yearly to do this. We must provide a more meaningful way to use television for the benefit of minority groups in the greater Cincinnati area.

These groups must be involved in the total life of the community. Television is an effective way to accomplish this. On-going programs to serve these groups will cost a minimum of $200,000 yearly.

Fortunately, Cincinnati is a culturally rich city with an outstanding symphony orchestra, ballet and opera company and museums. All are worthy of the attention of the community.

Through regular use of television these cultural events and institutions can be brought before all the people in southwestern Ohio.

All of these things assumes, of course, a continuation of an effective national service that provides outstanding programs for children and adults in the area of cultural and public affairs.

Presently, WCET has a budget of $560,000. To begin to do the job that must be done, that budget must be near $2 million dollars annually. Presently the station facilities are inadequate in both quantity and quality. To do the job will require at least one and a half million dollars in new facilities.

You should know that at the present time the Federal Government provides about 6 percent of the WCET operating income. I am not suggesting nor asking the Federal Government to provide the majority of the operating capital. Just as I believe WCET must program in answer to community needs, I believe people we serve have a primary responsibility to support the station—as they now do. (See letter dated February 15, 1972, p. 334.)

Federal support, however, should provide the means that make a difference in the scope of our services.

WCET is only one of 137 licensees in the country who want to serve their communities as well as possible. (See letter dated February 15, 1972, p. 334.)

We ask you not to lose sight of the importance of all the elements of educational television which are a strong national program service, complete interconnection and meaningful programs and services.

Therefore, we sincerely request your support for increased funds for all the interrelated parts of educational broadcasting.

Thank you.

Mr. Macdonald. Are there any questions?

Mr. Tiernan. Yes, Mr. Chairman.

What was your request to the Corporation for Public Broadcasting last year?

Mr. Vaughan. Our grant last year was $22,500.

Mr. Tiernan. What was it the year before?

Mr. Vaughan. $12,500, I believe.

Mr. Tiernan. How much did you request from the Department of HEW for facilities?

Did you make any request?

Mr. Vaughan. Not last year.

Mr. Tiernan. The year before did you make any request?

Mr. Vaughan. I do not believe so. I think it was the year before that we did for a color tape machine.

Mr. Tiernan. Did you receive a grant from the Federal Government?

Mr. Vaughan. Yes, we did.

Mr. Tiernan. You have not made any application for further facility funds?

Mr. VAUGHAN. There is one in now.

Mr. TIERNAN. For how much?

Mr. VAUGHAN. A total project of about $250,000.

Mr. TIERNAN. Do you have anything to say to the committee other than the fact you had certainly wanted additional funds, with regards to the present operation of the Corporation for Public Broadcasting?

Mr. VAUGHAN. I believe that the funding on all three issues should be included.

Mr. TIERNAN. Let's stick to the Corporation for Public Broadcasting.

We do not have before us any legislation affecting facilities.

What about the Corporation for Public Broadcasting?

Mr. VAUGHAN. Yes, sir, substantially more dollars.

Mr. TIERNAN. Well, assuming that is true, how would you suggest it be done?

Mr. VAUGHAN. I think there are various ways that are proposed here in these various bills that I could support.

Mr. TIERNAN. Do you belong to any national association of TV managers?

Mr. VAUGHAN. Yes, I belong to the PBS Board.

Mr. TIERNAN. You are a member of that Board?

Mr. VAUGHAN. Yes, sir.

Mr. TIERNAN. And you have some input into that?

Mr. VAUGHAN. Yes, sir.

Mr. TIERNAN. As a member of that Board, are you satisfied with the services they provided to you as a local manager?

Mr. VAUGHAN. That PBS provides? Yes, sir. I think there are difficult areas we are trying to solve.

I think it is a growing industry, new problems coming before us, but we are getting at those problems.

Mr. TIERNAN. You have not had an opportunity to study the administration's bill, where they put in a formula with regard to the grants to the stations?

Mr. VAUGHAN. No.

Mr. TIERNAN. Do you have any quarrel with leaving the discretion of grants to the local stations, with the Corporation for Public Broadcasting?

Mr. VAUGHAN. No, I do not. (See letter dated Feb. 15, 1972, p. 334.)

Mr. TIERNAN. Thank you.

Mr. MACDONALD. Mr. Brown.

Mr. BROWN. Since we are pressed for time, I would like to just draw one comment, and that is with reference to the Public Broadcasting Mangers Council.

Can you tell me how that group is made up?

Mr. VAUGHAN. It is made up of the elective representatives from ETS, and the PBS Boards, the elected station managers.

Mr. BROWN. It is the station managers who are on the Educational Television Station's Board, Educational Television System?

Mr. VAUGHAN. Yes.

Mr. BROWN. And the public broadcasting system boards, they are anticipating a study of the relationships in public broadcasting?

Mr. VAUGHAN. Yes, sir.

Mr. BROWN. Can you explain that, please?

Mr. VAUGHAN. Yes. First, I should say to you, that the council has no official status.

It is organized to exchange information between the groups.

Mr. BROWN. And between station managers?

Mr. VAUGHAN. And between station managers.

It was felt among that group that among the studies, and this is only one, the managers themselves should initiate such a study.

Mr. BROWN. The purpose of the study is to do what?

Mr. VAUGHAN. To try to clarify the responsibilities of the various groups, and to iron out the difficulties we have with the system.

Mr. BROWN. With reference to the Corporation for Public Broadcasting?

Mr. VAUGHAN. The total system.

Mr. BROWN. Public Broadcasting Service, Educational Television Service, all three of those?

Mr. VAUGHAN. And individual station problems.

Mr. BROWN. Which would infer that there are some areas of conflict, in terms of service, programing, and financing, that need to be worked out?

Mr. VAUGHAN. Could you clarify that a little more please. Could you clear it up for me, please?

Mr. BROWN. The objective is to work out the relationships, as I understand, recommendations about the relationships between the Corporation for Public Broadcasting, Public Broadcasting Service, Educational Television stations, and the local station managers?

Mr. VAUGHAN. And to look also at the relationship of regional networks to the national.

Mr. BROWN. Such as the Ohio Educational Network?

Mr. VAUGHAN. Yes, and the Central Education Network.

Mr. BROWN. And this relates both to programing and financing?

Mr. VAUGHAN. And interconnection.

Mr. BROWN. The interconnection and the network services?

Mr. VAUGHAN. Yes, sir.

Mr. BROWN. Will it get into the legal responsibilities between these various levels, and the question of pass-through funding, and that sort of thing, do you believe?

Mr. VAUGHAN Yes, sir; I believe it will.

Mr. BROWN. And when do you anticipate that this study will be completed?

Mr. VAUGHAN. It will take about 6 months.

Mr. BROWN. When we get it, will we have some expression of the viewpoints of the station managers, on this question of pass-through, and responsibility, and is it likely you can look at some of these bills and come up with either a final recommendation, or any kind of interim recommendation for us?

Mr. VAUGHAN. I believe the final report will help us to what we are all seeking, which is the long-range funding of the system, and will spell out the responsibilities.

Mr. BROWN. Are we likely to get an interim report before then?

Mr. VAUGHAN. I do not know. It is a fairly complicated question.

Mr. BROWN. I have no further questions.

Mr. MACDONALD. Thank you very much.

(The following letter and attachments were received for the record:)

WCET, CHANNEL 48,
Cincinnati, Ohio, February 15, 1972.

Hon. TORBERT H. MACDONALD,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to respectfully request the following additions to my comments for clarity:

(1) On page 529, lines 9 & 10, Mr. Tiernan asked the question "Do you have any quarrel with leaving the discretion of grants to the local stations with the Corporation for Public Broadcasting?" First, I misunderstood Mr. Tiernan because I thought he was referring to the disbursement of grants. However, if the question has to do with how much discretion CPB should have in dispersing local grants to stations I feel they should not have any and that the formula should be made a part of the legislation. On the other hand, if by disbursement the reference is to the present method by which stations receive such funds (that is, the formula) I have no quarrel with that.

(2) On page 526, line 12 of my testimony I refer to the fact that WCET must program to the community needs and that the community has the primary responsibility to support the station. I would like to insert the attached evidence of WCET's Community Programming and Community Support.

(3) On page 526, line 16 I referred to the fact that WCET is only one of the 137 licensees in the country who want to serve their communities as well as possible. As evidence I would like to submit a report made on community involvement and support of a major effort at drug education for adults and teenagers.

Sincerely,

CHARLES W. VAUGHAN,
President and General Manager.

Enclosures.

COMMUNITY PROGRAMING—WCET-TV

	Hours	Percent
A. Educational programing:		
1. Instructional programing	1,378	43
2. Adult education	384	12
Total		55
B. Children's programing	243	8
C. Cultural programing	716	22
D. Public affairs programing	489	15
Total	3,210	100

COMMUNITY SUPPORT—WCET-TV

Fund raising	Amount	Percent of total budget
A. Instructional television:		
1. State of Ohio	$108,064	20
2. Schools	70,986	13
B. General:		
1. Memberships	119,017	21
2. Foundations	24,150	4
3. Auction	85,847	15
4. Corporations	48,700	8
5. Underwriting	40,822	6
6. Government:		
(a) County	12,500	3
(b) CPB	22,500	4
7. Air show	9,000	2
8. Miscellaneous	36,784	4
C. Capital improvements	42,522	

A Special Report on Activities Connected With the "TurnedOn Crisis" Drug Abuse Series

(Shown on WCET/TV 48, Cincinnati, Ohio, During February 1971)

I. INTRODUCTION

This report contains all information pertinent to the "TurnedOn Crisis" drug abuse series shown on WCET during February, 1971. It is a review of: Public relations and publicity efforts and results; promotional materials available and used; series-related meetings and community activities; special series-related group projects; known results regarding community action; local programming efforts connected with the series; public response to the drug problems; plans for the future by WCET as a result of the project; and comments on various phases of the series, both pro and con.

The following section reviews planning and preparation leading to the initial "TurnedOn Crisis" program aired, Monday, February 1, 1971.

II. PLANNING

Prior to formally initiating the local promotional effort connected with the "TurnedOn Crisis" series, WCET hired Donald A. Grenley, Cincinnati public relations/publicity specialist, to oversee and coordinate all related activities. Mr. Grenley was hired for a 10 week period ending March 5, 1971.

A preliminary meeting was held at WCET with station personnel working with the "TurnedOn Crisis" series and three area District Lt. Governors of Kiwanis International. The Lt. Governors, Daniel P. Payne, Robert J. Redwine and John B. Johnson, pledged the support of all area Kiwanis Clubs in assisting in the distribution of promotional materials, as well as the donation of funds to help cover the cost of these materials.

The Kiwanis Club of Cincinnati, under the guidance of Dan Stricker and Jerry Kelch, volunteered to saturate the downtown area with "Turned-On Crisis" literature and to assist in the organization and planning of a major "kickoff" meeting to introduce the "TurnedOn Crisis" series.

A committee for carrying out "TurnedOn Crisis" activities for Downtown Kiwanis was formed with twenty men playing an active role.

Kickoff meeting

The meeting, planned in cooperation with the University of Cincinnati's Educational Media Center, was held the evening of Tuesday, January 19th, at U.C.'s new Brodie Auditorium. The session was primarily designed to inform and acquaint a large number of Greater Cincinnati's leaders with the subject matter of the upcoming "TurnedOn Crisis" programs, WCET's role in the overall promotion effort and, most importantly, how the citizens of Cincinnati could actively participate in combating the growing drug abuse problem.

The initial step by WCET was the compilation of a highly refined invitation list of key people throughout the Greater Cincinnati and Northern Kentucky areas in the fields of education, religion, politics, law enforcement, civic and community work and media/communications—in short, nearly everyone who could, and should, have an interest in the drug problem.

A personally addressed invitation was sent to approximately 2,300 persons. Follow-up phone calls were made to a majority of those on the list to determine attendance in advance. These calls were handled by: Members of the WCET staff; members of the University of Cincinnati's "Cincinnati Experience", volunteer organization, and key members of local Kiwanis organizations who volunteered to assist in promoting the entire "TurnedOn Crisis" effort.

For a variety of reasons (cold weather, hard-to-find location, other commitments, possible apathy), only 200 persons attended the meeting. However, those attending were directly interested and anxious to participate in working with the drug problem.

The session itself, lasting approximately one hour, consisted of brief exerpts of some of the "TurnedOn Crisis" programs to be shown; a brief talk by Dr. Thomas Bonner, the University Vice President and Provost for Academic Affairs, on the overall drug problem; a discussion, with slides, of "TurnedOn Crisis" materials being made available and media and civic organizations lending backing to the project, by Roger Fransecky, Director of U.C.'s Educational Media

Center; brief "pep talks" by Gerald N. Springer, Director of the Youth Task Force for the State of Ohio, Guy Guckenberger, Cincinnati City Councilman and David Altman, Director of the Cincinnati Experience.

Sample packets of materials were made available to all who attended. These packets included:

A small flyer listing program times and descriptions for the entire month.

"TurnedOn Crisis" labels (sticker-backed).

Lapel buttons.

A drug fact brochure entitled "Joy to the World" prepared and published by the Cincinnati Bell Telephone Co. (100,000 of these four page brochures were made available to WCET, free of charge, as part of the promotional effort).

A sheet listing all materials available, and the name and number of the contact at WCET, (Mr. Grenley) to obtain additional materials and necessary information.

A "commitment sheet" to be left in the lobby of the auditorium by those interested in organizing and/or participating in discussion groups in conjunction with the "TurnedOn Crisis" series.

Of approximately 200 persons in attendance, some 85 to 90 commitment sheets were turned in following the meeting. A large supply of all promotional materials was available in the lobby of the auditorium for those interested in getting started with community programs immediately. This included all the pieces mentioned above, plus large posters promoting the series. Nearly all of this material was taken away *that night*, lending credence to our belief that a great deal of activity would be generated in the coming weeks.

"TurnedOn Crisis" Materials

At this point of the report, mention of the promotional materials, and how they were distributed, is important. We found that much of the material, distributed by WQED, the pilot-project channel in Pittsburgh, was not really suitable for our purposes. This was due primarily to the fact that the posters and flyers contained the phrase "watch these *eight* community drug programs." Since WCET planned to air four locally-produced drug programs, as well as repeat each of the eight network programs *twice* each week, the wordage was simply not relevant to our particular project. We thus decided to reprint the *entire* supply of posters and flyers using copy that aptly explained and described our own programing plans.

While we found that the "TurnedOn Crisis" lapel buttons were widely requested, the "sticker" labels were useless due to their size, lack of copy, etc.

It was also unfortunate that the two principal booklets—the "Primer on Drug Abuse" and the "Guidelines for Community Action"—did not arrive at WCET in time for the initial promotion. However, on the commitment sheets distributed at the kick-off meeting, those attending were asked to check whether they would like copies of either or both of these booklets when they became available. All of those who turned in commitment sheets requested one or more copies of these at a later date. (Both booklets were found to be excellent in content and quality).

It should also be noted that because of the large amounts of material taken at the kick-off meeting, it was necessary to immediately re-order (locally) one hundred thousand additional flyers and five thousand additional posters. (A few weeks later it became necessary to order an additional ten thousand lapel buttons).

Material Distribution

Ta saturate the community with "TurnedOn Crisis" material was the next obvious step in our pre-series effort. This was handled in several ways:

Members of 49 Greater Cincinnati Kiwanis Clubs, representing four major Districts, volunteered to distribute posters, flyers and buttons in nearly every individual community. This included banks, savings institutions, retail establishments in shopping centers, schools, churches, etc.

A Kiwanis booth at the Cincinnati Boat Show, held at Cincinnati Convention Center, served as a distribution outlet for materials during the Show's four day run.

Members of the Cincinnati Experience group placed materials throughout the University of Cincinnati and other campuses.

Material was distributed to all area elementary, junior high and high schools, all daily, weekly and special interest newspapers, all AM and FM radio stations, all commercial television channels, the main library and all branch libraries, editors of more than 100 company house organs, more than 50 local Building and Loan Associations, several laundry and dry cleaning establishments.

Flyers were distributed by local wholesale drug suppliers to every pharmacy and drug stores in the area.

Flyers were included in every mailing by the Greater Cincinnati Chamber of Commerce during the latter part of January and all of February.

In addition to the above, many individuals representing various organizations, churches, schools, etc. came to the WCET studios to obtain materials prior to and during the entire "TurnedOn Crisis" promotion campaign. In short, the community was almost fully saturated with materials on a continuing basis.

Training Sessions

As a direct follow-up to the January 19th kick-off meeting, all those expressing interest in the drug problem through the commitment sheets were individually called and invited to a group dynamics training session to be held in the WCET studio on Thursday, January 28th. Due to the almost 100 per cent response to this invitation, two similar sessions were planned—one from 4 to 5 PM and one from 7:30 to 8:30 PM.

The purpose of the meetings was not necessarily to pinpoint how to conduct a "drug-oriented" session, but rather how to organize and successfully handle any type of discussion meeting.

Conducting the two meetings was Ronald Stegman, a teacher at Cincinnati Gamble Junior High School and a partner in Systems Dynamics Co. of Cincinnati. A formal presentation of ideas and suggestions was made by Mr. Stegman at both meetings. Following this, a period of questions and open discussion was held. Too, additional materials were passed out to those requesting it. This also was the first opportunity to make available the "Primer on Drug Abuse." (The "Guidelines for Community Action" booklet had not yet arrived.)

Made available to those attending the two above sessions was a sheet, to be filled out and returned to Mr. Grenley at WCET. Purpose of the form was to report any group discussion meetings planned in conjunction with the "TurnedOn Crisis."

Release Material, Publicity and Media Cooperation

A maximum amount of pre-series promotion and publicity occurred during the planning stages of the project. A general news release, describing both the national and local programs and listing times and dates, was forwarded to all local media—radio and TV stations, daily and weekly newspapers, and special-interest publications. The release also went to editors of the area company house organs mentioned earlier.

On January 25th, four broadcast/promotional spots—60, 30, 20 and 10 secs., along with an explaining covering letter, were sent by Mr. Grenley to all area broadcast media. Supplementing this material to the TV channels was a color slide of the "TurnedOn Crisis" logo. Nearly all of the prime radio and TV outlets agreed to use this material where and when feasible in their public service broadcast schedules.

Two additional news releases were forwarded to the same media list on January 27th. This included a story highlighting the four live, locally-produced drug series shows, and an article announcing that the WCET switchboard would be open to all Cincinnati area residents desiring information on the series. In addition, it was announced that a special hookup telephone line from WCET to 381-CARE—the round-the-clock switchboard operated by Talbert House as a drug and information center—would be operational during the month of February. This was highly desirable for persons with questions which could not be fully answered by WCET personnel.

Articles and stories announcing and describing the "TurnedOn Crisis" series appeared during the pre-program period in the following:

Cincinnati Enquirer.
Cincinnati Post & Times-Star.
Eastern Hills Journal (weekly).
Western Hills Press (weekly).
Mt. Washington Press (weekly).

In addition, a major article, complete with photos and cover art, appeared in the Saturday Magazine Section of the Cincinnati Post & Times-Star, January 30th, just prior to the opening nationally produced program.

Other publicity included:

A major editorial in the February issue of Cincinnati Magazine.

Mentions in many church publications throughout the area.

Information that an article was scheduled to appear in the March–April edition of the Hamilton County Communicator, published by the Hamilton County Board of Education.

Information that an article was scheduled to appear in the Hamilton County Pharmacist, distributed to some 300 druggists in the area.

A taped interview with Charles W. Vaughan on WUBE radio, describing the "TurnedOn Crisis" effort.

An interview-call-in program on WCLU radio, featuring Lynne Woodman of the WCET staff. This was aired on two consecutive days, February 1st and 2nd. Lynne also served as moderator for the four locally-produced live programs tailored to the Cincinnati area drug problem.

WEBN–FM in Cincinnati suggested that they simulcast the audio portion of the four local programs during the repeat hours on Sunday. This was done as a radio service for those persons unable to receive WCET's signal.

Both television and radio coverage were secured for the kickoff meeting mentioned in the opening section of this report. Excellent coverage was given by WLW–T, WCKY radio, WUBE radio and WFIB radio, the University of Cincinnati closed-circuit station, to name a few.

Many of the area radio and TV stations aired scheduled editorials which were devoted to the drug problem. Some of these specifically mentioned WCET's "TurnedOn Crisis" series.

A major amount of additional publicity on the drug problem, as it tied-in with the "TurnedOn Crisis" series, appeared after the programs began during February. These will be mentioned in a later section of this report.

A resolution was passed by Cincinnati City Council on January 20, 1971, commending WCET for responsible broadcasting in regard to the "TurnedOn Crisis" series. The resolution was signed by Mayor Eugene Ruehlmann. The resolution stated that Cincinnati is experiencing a serious drug problem, that the city and its citizens should back all efforts to combat the situation, and that permanent efforts should be made to educate the public about drugs and their effects.

Also during this pre-planning period, a letter was sent by Mr. Grenley to all prospective group discussion leaders announcing that both the "Primer on Drug Abuse" and the "Guidelines for Community Action" were available. A copy of each of these booklets was enclosed with the letter.

Another letter, also including the two booklets mentioned above, was forwarded to all junior high and high school principals by Marjorie McKinney, WCET Director of Instructional Television. Included in the packet was the "Joy to the World" brochure, published by Cinn. Bell, mentioned earlier.

A special mention here should be made of Mr. Al Kuettner, Education Editor of the Cincinnati Post & Times-Star. His continuing interest and efforts on the drug problem and the series had much to do with making the promotional effort a success.

Mr. Kuettner also instigated series "watching parties" in his neighborhood and suggested, through his paper, that other communities do likewise. A special report by Mr. Kuettner on his views and thoughts on the drug situation and the series follows.

Report From Al Kuettner

For sheer impact and multi-information, this is a terrific format. This type of program, in my opinion, gives public television its main reason for existing.

To obtain information for my own evaluation of this series, in which I became interested as a newspaperman, I invited to my home a neighborhood family composed of two conservative parents, an elementary school girl, two high school brothers and a college daughter. We watched the series together at various stages of its programming through February.

It was interesting to me that the youngest child never lost high involvement with the series. My own 14 year old son was the same. The two high school boys did not show much interest but this may have been because of the pressure of studies. The college girl was very interested. So were the parents, although they found it difficult, at first, to relate in any positive manner to long hair and rock music. It was simply another world.

During the series, it spilled out, in my living room, that the college daughter had been attending a number of encounter group sessions on her campus. The parents were very much against this because they were suspicious of what was going on there. (They had heard all about the sex-oriented sensitivity sessions which to them assumed orgy proportions). But it was a subject that mother and daughter could not discuss. Daughter always clammed up and mom got mad. But, watching Crisis together, the two began to talk out their feelings on the subject. Understanding came.

It was the same with the rock music segment. The college daughter talked during the showing about how "I don't know what they are singing but I like the music". The parents seemed for the first time to at least understand how she related to such music.

In my opinion, one of the major results from such a series is the spinoffs such as those just mentioned. The format needs to be developed, refined and expanded.

I know that much effort went into the locally produced shows on Friday nights. Some of them were quite good but I felt the need of much more flexibility. I realize you were limited by financing and lack of equipment, but I kept wanting to get the local programs out of the studio and into the streets and coffee houses, down to the Free Clinic, out to Talbert House, etc. In other words, I wanted the camera to take me where it's at.

But it was a great start which I'm sure will be sophisticated later. Keep it up!

AL KUETTNER.

Cincinnati Post & Times-Star, March 2, 1971.

Linda Bates, a University of Cincinnati dormitory counselor (and graduate student) reported that the series generated a great deal of interest among U.C. students. Many students formed "watching teams" to view the programs. According to Miss Bates the series served as a groundbreaking for opening up frank discussions concerning drugs among the students. Usually she didn't hear about drugs until they had become a problem with a girl . . . now they are talking to her *before* an abuse exists. The students discussed the problems openly because of the lack of pressure involved during the "watching sessions".

Local Programing Effort

Early in the series planning stage, it was decided that a series of four locally produced live programs should be an important part of the "TurnedOn Crisis" series on WCET. The four hour-long shows were telecast from the WCET studio each Friday night during February. The programs were produced by Janet Barrett, directed by Ron Wilson and moderated by Lynne Woodman—all of the WCET staff.

The four programs examined, in order, the following areas of drug abuse in the Greater Cincinnati area:

Information and Prevention.
Rehabilitation.
Legislation.
A general Forum and "call-in" hour, summarizing the first three programs and including various persons who appeared on the earlier shows. . . . a "where do we go from here?" show.

The shows were televised in an informal "conversation pit" setting, to facilitate informal conversation and "rapping" about the problems involved. Those participating on each of the four programs are listed below:

PROGRAM 1: INFORMATION & UNDERSTANDING—PREVENTION

Sgt. Harry Bode: Chief, Hamilton Co. Narcotics Squad.
Tom Waldron: Attorney.
Ed Biegert: Coordinator, United Christian Ministries.
Mike Enderly: Assistant Dean of Men U.C.
Jim Tarbell: Ludlow Garage owner (rock club).
DennyBosch: V.P. Cinn. Free Clinic & Coord. Marlos Coffee House & 381–CARE.
John Asbury: Drug Counselor, Asst. Dir. 381–CARE.

Dr. Leonard Sigell: Asst. Professor of Clinical Pharm. U.C. Coll. of Medicine & Director of the Drug Information Center at General Hospital.

Judy Gaugush: Citizen's Committee on Drug Abuse.

Bob Feder: Student.

PROGRAM 2: REHABILITATION

Ted Rush: Talbert House Outreach Program (381–CARE & Marlos Coffee House.

Dr. Arnie Leff: Medical Director, Cinn. Free Clinic.

Dr. James Titchener: Professor of Psychiatry, U.C. College of Medicine and Central Psychiatric Clinic.

Steve Gibbs: Administrative Coordinator, Cinn. Free Clinic.

Dr. James Phinney: Pediatrician.

Mrs. Neil Artman: Parent—whose son was involved with drugs (suicide—O.D.).

Joe Bennett: Ex-addict.

PROGRAM 3: LEGISLATION

Guy Guckenberger: Cincinnati City Council.

Jerry N. Springer: Director, Gov.'s Youth Task Force.

Lt. Charles Black: Commander, Cinn. Vice Squad.

Spec. Donald Stoll: Narcotics Div., Vice Squad.

Louis Sirkin: Attorney.

Norman Murdock: State Representative, Chmn. H.E.W. Committee.

Dave Altman: Director, Cincinnati Exper.

PROGRAM 4: "WHERE ARE WE NOW—WHERE DO WE GO FROM HERE?"

Steve Gibbs: Admn. Coord. Free Clinic.

Dr. Arnie Leff: Medical Dir., Free Clinic.

John Asbury: Asst. Director 381–CARE.

Louis Sirkin: Attorney.

Guy Guckenberger: Cinn. City Council.

Jerome Braum: Supvsr. Science Secondary Schools, Cinn. Public School System.

Mrs. Edward Manogue: Co-Chmn. Wyoming Citizen's Comm. on Drug Abuse.

Dr. Bruce Janiak: Resident in Emergency Medicine at General Hospital.

The programs were specifically planned to include persons from various sides of the Cincinnati drug problem. This included ex-drug addicts, law enforcement personnel, legislators, rehabilitation personnel, students, etc.

A studio audience was in attendance at each program to add to the "live" effect being sought. Many of the audience attended as a result of the on-air invitations to call in and make reservations.

To help defray the cost of producing the local programs the Corporation for Public Broadcasting provided a $500 grant to WCET. This helped greatly to plan and organize the types of programs we wanted, and which proved so successful as a local supplement to the overall series.

Thus far, we have basically covered the variety of activities and promotion efforts connected with the planning stage of the "TurnedOn Crisis" series. The following section deals with activities generated by the pre-program publicity, the materials distributed, and the meetings held to generate interest and enthusiasm. This includes the formation of series-oriented group discussion meetings, special group projects and other community action programs and occurrences/experiences directly related to the series.

The following section, then, deals with the programming period from February 1st to February 28th.

III. ACTIVITIES DURING THE "TURNEDON CRISIS" SERIES

The initial week of "TurnedOn Crisis" programming on WCET indicated that viewer response and acceptability were heavy. Reports from various individuals and watching groups were, for the most part, of a positive nature.

As with any series of related programs, particularly in the "crusading" area, a certain amount of dull and/or negative spots are to be expected. However, most viewers contacted indicated the programs were interesting, informative and worth watching.

The four locally produced shows received excellent response in general. From a technical standpoint, these programs were well-produced, well-directed and handled efficiently "on-air" to create the required proper balance.

One indication of continuing interest in the series was the fact that, as the days progressed, more and more individuals and groups requested materials for use in discussion groups and similar activities. It is important to note that there was no let-down or lag toward the middle and end of February in this area. Nearly all materials from the initial order and the reorder were distributed prior to the conclusion of the series.

Followup Meeting

A followup meeting was scheduled and held on Monday, February 15th at St. Monica's Church for those persons who attended the group dynamics session at the WCET studio two weeks earlier. Each person was called and invited to attend one of two sessions to discuss what activities had been generated to date.

These sessions proved to be disappointing from an attendance standpoint, as only five persons came to the 4 to 5 pm meeting, and nine to the 7:30 to 8:30 meeting. Both sessions, however, proved to be highly informative and enlightening from a discussion standpoint. A local weekly editor and several other very active people who were aware of what other communities were setting up on the drug proble, were able to report that much was being accomplished in the group discussion area throughout the entire Cincinnati community and that interest continued at a high peak.

We learned later that several of those absent from the meeting were the most active in their respective communities concerning efforts in the drug abuse campaign.

Possibly this mid-month meeting was unnecessary since most persons were simply not ready to review their particular activities so soon following commencement of the series.

Continuing Publicity

The "TurnedOn Crisis" continued to receive a "good press" during the month of February, particularly from the weekly newspapers where community activity was high.

Both the Price Hill News and the Western Hills Press devotetd several pages to the local drug problem, highlighting the "TurnedOn Crisis" series and its related activities. Other newspapers giving coverage were:

The University of Cincinnati News Record.

The Cincinnati Enquirer (TV-Radio column).

The Journal, covering the Bridgetown, Cleves and Western Hills area.

The Hilltop Express, covering the Mt. Healthy area.

In addition, the February 13–19 issue of TV Guide published a major article on the national "TurnedOn Crisis" series.

Specific Group Activities

Particularly rewarding to WCET were the number of discussion groups begun as a direct result of the series. Following is a breakdown of thees activities.

Drug abuse discussions were initiated into Sunday night youth group meetings at St. Peter & Paul Church. Various speakers, knowledgeable in the drug area, were brought in, including a former drug addict connected with "Matrix" at the Lexington, Kentucky drug rehabilitation hospital. Interestingly, this particular person was a parishioner at the church in the past.

Thomas Darnell, a chemistry professor at Elder High School, used various approaches to the drug problem in his classes and worked with young people on his own after school hours on drug abuse.

Mrs. June Edwards, a member of Family Service of Cincinnati, held organized group meetings at her home once a week to discuss the drug situation locally. Dealing directly with the adults in her community, she succeeded in interesting many of them in setting up additional discussion sessions with young people in the Eastern section of town.

Miss Sandra Ross, local Red Cross youth worker, organized discussion groups each Wednesday during February with staff personnel from various local services who are interested in the drug situation. These included caseworkers, representatives from safety and first aid organizations, Service to Military Families aux. staff, the Red Cross Youth Staff, etc.

Don Harris, heading a local Neighborhood Youth Corps, initiated a continuing series on drug abuse with young people in his area.

The drug abuse committee of the Price Hill Civic Club proved to be one of the most active organizations in this area. Under the co-chairmanship of Tom Meyung, this group is not only setting up a drug information center in Price Hill (for counseling service too) but is also lobbying to establish a permanent Drug Rehabilitation Center in the soon-to-be-closed Dunham TB Hospital. Special watching groups were organized each Friday night during February at St. William Church, with discussion sessions following. This group continues to remain in close contact with the Hamilton Co. Commissioners, Cincinnati City Council and other representative organizations who can be effective in combating and legislating the drug abuse problem.

Edwin Stortz, Hamilton Co. Juvenile Court Probation Officer, and Dr. George Kisker of the Probation Department combined talents to establish Saturday weekly encounter sessions to include up to 20 young people. Motion pictures and discussions on all aspects of the drug problem were integral parts of the sessions.

The Blue Ash YMCA worked very actively with young people in its community directly through YMCA programs. Under the guidance of Jack Lewis, the young people helped distributed "TurnedOn Crisis" materials and were encouraged to view the series in groups. The project also included weekly drug abuse meetings with adults representing the Blue Ash community.

Vincent Lutz requested the help of WCET in obtaining a television set so that members of the Cincinnati Union Bethel Youth Group could view the series in watching groups. This was accomplished, through cooperation between an area radio-TV columnist and a retail TV store, and the watching sessions, consisting of 80 young people, were established to view each program in the series during February. Mr. Lutz also succeeded in obtaining a second TV set, and a similar program was set up for the Millvale Youth Group.

Mrs. Jean McMaken, in her capacity as head nurse at Wyoming High School, has incorporated drug abuse study programs into the school's health classes. She was also instrumental in distributing thousands of pieces of series material throughout the school. Her efforts also resulted in a major adult drug abuse meeting attended by more than 300 Wyoming residents.

The student government of Edgecliff College voted to view the series en mass. The result: the first week of March was set aside to hold an active concentrated program against drug abuse throughout the school's community.

These are but a few of the known results emanating directly from WCET's "TurnedOn Crisis" series. There are those others—family, school and church organizations—which were formed as watching groups during the month. Due to simply not receiving information from everyone, it is virtually impossible to document each and every area of drug abuse activity. There are, however, some other special situations which should be mentioned.

Special Activities

The Mt. Healthy community of Cincinnati has established a permanent Citizens Drug Abuse Task Force, consisting of some 200 area businessmen, school administrators, PTA personnel, parents, etc. The initial workshop session of this group was held February 4th at South Jr. High School, with some 300 persons in attendance. Present plans call for once-a-month meetings to discuss ways and means to combat the drug abuse problem in the community. A series of special committees within the Force have been established to attack the problem on a multi-level basis.

Principal goals of the organizations are: to investigate how local courts dispose of cases involving repeat drug offenders: to ask state legislators for greater coordination of law enforcement efforts: to continue both adult and student drug abuse education programs.

Mrs. Donald Guidi, Chairman of the Task Force, said "TurnedOn Crisis" series has been a key asset to our efforts, and WCET is to be commended for this timely, interesting and informative program series.

The Cincinnati community of Deer Park held sessions on drugs and their use during regularly-scheduled Adult Evening Education classes every Monday and Wednesday during February. These sessions were set up as a direct result of the series. The sessions were conducted by Deer Park teacher Ralph Mills, who received compensation for his efforts.

The Concerned Citizens

While not everyone interested in drug abuse could organize specific community action groups such as those already mentioned, many concerned citizens, representing churches, schools, etc. wanted to participate in some manner. This participation took many forms and ranged from individual activity within the home to distribution of materials in stores, business establishments and elsewhere. These are the types of people who helped "spread the word" about the series because they cared, and they deserve a mention as part of this report:

Mr. & Mrs. Anghoff, Students, U.C.;
Dr. William Nester, University of Cincinnati;
John Adkins, Private citizen;
William Owen, Cheviot-Westwood Kiwanis;
Mrs. Weaver, Cinn. Dist. Methodist Church;
Clifton School PTA;
Mr. John Krumpelman, Private citizen;
Mr. J. Hoeting, Grady Realty;
Mr. Daniel Stryker, Price Hill Civic Assn.;
Mrs. Dee Schaefer, WCET staff;
Mrs. Richard Klaus, Cinn. PTA Council;
Powell Crosley YMCA;
Mrs. Marshall, Cinn. Concentrated Meth. Ch.;
Alice Lowry, Montfort Hghts. Meth. Ch.;
William Ackredge, Kenwood Baptist Church;
Paul Lamping, Alms Hotel Pharmacy;
St. Johns Unitarian Church;
Rev. Louis Lunardini, Madeira Presbyterian Church;
Mrs. Joan Thompson, WCET staff, Westwood Group Sessions;
Mr. T. Mason, rep. N. Ky. Pharmaceutical Assn.;
Regina High School;
Kennedy Heights Community Cl.;
Rev. John Hinkle, 1st United Meth. Church;
Mrs. Lowery, Colerain High School;
Mrs. Robert Stith, Grandview School PTA;
St. Luke High School;
Paul Hill, Jr., Junior High Sch. Council;
Sister Mary Stephen, Our Mother of Sorrows Sch.;
Peggy Becker, Central Fairmount School;
McNicholas High School;
High School Assn.;
Taft High School;
Woodward High School;
Mrs. Jean Lewis, Main Branch, Public Library;
Mr. Seipelt, from Pleasant Hills School;
Nicholas Hoesl, Shillito's Tri-Co. Pharmacist.;
Bob Andrews, Kenwood Christian Church;
Mrs. Carl Zeeb, Private citizen;
Harold Davis, Reading Kiwanis Club;
Mr. T. Trimpe, Madonna Council;
St. Ursula Academy;
Purcell High School;
Mr. Gehring, No. Hills Madonna KC;
Mr. George Green, Private citizen;
Father Ryan, Newport Catholic High Sch.;
Mr. Gary Gloster, Church of the Redeemer;
Mr. Robert Mebberly, Reading Kiwanis Club;
John Gracchiolo, Private citizen;
Anderson Hills High School;
Courter Technical School;
Hughes High School;
Walnut Hills High School;
Withrow High School;
Milford High School;
Mariemont High School;
Western Hills High School;
Walter Schloemer, Private citizen;
J. R. Markarian, A. B. Closson Co.;
Mr. R. Baumann, Private citizen;
Miss Leach, Family Service of Cinn.;

Mr. Dan Ransohoff, Family Service of Cinn.;
Sycamore Middle School;
Gene Canpe, Walnut Hls. Ch. of Advent;
Seton High School;
Rev. Duane Holm, Congreg. for Reconciliation;
Rev. Robert Richter, College Hill Presby Ch.;
Father Robinson, Guardian Angels Church;
Bill Sontag, Sontag Dry Cleaners;
Mrs. Liz Steinkamp, Price Hill Civic Assn-nurse;
Mr. Arnold Bray, Private citizen;
Mrs. Glenn Winkle, Hamilton PTA;
Connie Beaman, Powell Crosley YMCA;
Mary Rose Schmitz, private citizen;
Larry Pigg, College Hill Christian Ch.;
Barbara Worrel, Cinn. Board of Education;
H. Humphreys, J. Price, & J. Johnson, McAlpins Store;
Mr. E. Davis, Private citizen;
Mr. W. Ruther, Knodel-Tygrett Co.;
Princeton Jr. High School;
Mrs. Marion Haisley, U.C.;
Mrs. Earl Kallendorf, Private citizen;
Marion High School;
Mr. Kendig, Covington Cath. High School;
Mr. William Whitaker, Northwest School System;
Mike Shryock, Reading High School;
Gilbert Napier, Private citizen;
Central Elementary School;
Opportunities Inds. Center;
Carol Schaljo, Private citizen;
Kathy Mason, Student;
Mr. David Hicks, Private citizen;
Rev. Ed. Beck, Westwd. Unit. Meth. Church;
Mr. Williams, High School student;
William Ferris, Silverton Kiwanis Club;
Richard Austin, Shillito's Advertising Dept.;
Mr. Daniel Payne, Coordinator, Kiwanis Club distribution project;
Mrs. Kay Cassidy, Office of Social Action for Catholic Commission.

All members of the WCET staff who assisted in the distribution of materials and devoted time and compassion to community leaders and families with drug problems.

The Helping Hand

An interesting sidelight to the "TurnedOn Crisis" series is an experience that happened to Lynne Woodman, moderator of the local drug programs and a member of the WCET staff.

At 10 am, Sunday, February 7th—the Sunday following the first local drug program on Information and Prevention—a well-dressed gentleman from a major Cincinnati industrial corporation knocked on Lynne's door and said simply "I think my son is on drugs. What do I do? Where can I go? Can you help?"

Not being an expert on a matter of this type, Mrs. Woodman hesitated for a moment—then invited the gentleman inside to discuss the situation at greater length. The man, seated on the floor, literally "poured out" his story for some two hours.

Finally, Lynne, after doing as much as possible to calm and soothe the man—and provide what advice and counsel she could—was able to get him to agree to contact Cincinnati's Free Clinic and make an appointment for a more thorough discussion (privately and in their "raproom").

In this way, the "TurnedOn Crisis"—in the person of Lynne Woodman—was able to assist a distraught parent in attempting alleviation of a serious family situation. While this is but a single experience, it leads us to the question—"How many similar happenings have occurred that we have no knowledge of? How many others, parents and youngsters alike, may have been helped in some way—or at least made more aware of the drug problem—by the "TurnedOn Crisis" series? Have we really been a vehicle for helping people?" These are the questions we'll be asking ourselves—and hoping to find answers to—for some time to come!

Continuing Feedback

Since the above incident occurred, we have logged several more experiences.

We have received eight (8) phone calls from persons saying that "they needed help—they were on drugs"—and these calls were referred to 381–CARE.

Letters have been received from those who say that the series opened up discussion among family members—FOR THE FIRST TIME!—on many topics and the family itself.

IV. RESULTS OF THE PROJECT—PLANS FOR THE FUTURE

As of the preparation of this report, it is somewhat difficult to categorically state the concrete results of the WCET "TurnedOn Crisis" effort. However, from a general overview, we feel we have accomplished a great deal during the month of February. We have:

More Cincinnati area citizens now genuinely aware of a drug abuse problem and its actual existence in many of our local neighborhoods and communities.

Succeeded in coordinating the first local anti-drug effort which, hopefully will continue on a permanent basis.

Served as a catalyst for the instigation of many temporary adult/youth discussion meetings, and several permanent drug abuse task force committees and organizations.

Been the vehicle for providing much necessary information concerning the effects of drugs, along with possible dispelling some of the misinformation long associated with drug addiction.

Brought into sharp focus the fact that there are all too few facilities where the addict can seek, and acquire, competent help—when he needs it the most.

Provided many concerned persons a "sounding board" or platform from which to express their respective views on the overall drug abuse situation locally.

Shown that WCET is not simply a broadcast medium, but can be an effective and cohesive force in the area of community relations and involvement.

As a direct result of "TurnedOn Crisis" programming and related community activity groups, Cincinnati City Councilman Guy Guckenberger officially recommended that all various local drug abuse programs in the area be placed, and coordinated, under the City Board of Health.

Guckenberger is chairman of Council's Crime and Law Enforcement committee, and was a strong backer and advocate of the "TurnedOn Crisis" series. He appeared on two of the locally produced programs.

Other recommendations were also made by Guckenberger concerning Cincinnati's drug abuse situation and how to attack it.

A new community program for rehabilitation of drug addicts has been assured of funding by the City Council and the Hamilton County Commissioners for three months beginning APRIL 1st!

Known as the "Narcotic Out-Client and Residential Program" it was developed by the staff of Talbert House (mentioned previously in this report as 381–CARE and Marlos Coffee House). This is designed to help local drug addicts return to useful lives in the community and is giving an alternative to Judges (who supported this program completely) to sending people to prison who have a history of heroin use, or placing them on probation, which does little to change their habit of drug use.

Earlier this month, Judge Bettman estimated that ⅓ of the felony defendants who appeared in his court were there on drug charges or drug-related crimes.

Community Interest and Pressure has Resulted in Action!

Judge Rupert Doan is chairman of a sub-committee to study the Methadone Maintenance program for heroin addicts proposed by Talbert House and to recommend action to be taken. Again community support is high!

Governor John J. Gilligan has asked for 35.2 Million dollars for drug abuse and treatment programs, in his new Budget. Editorials, letters and telephone calls received by the legislators have been totally in support of this program.

How, then, did the "TurnedOn Crisis" affect our future at WCET? First, and foremost perhaps, is the fact that we have established a new series of weekly, one-hour programs to be called "RAPSESSION". These shows, to be produced locally in the WCET studio, will be aired Tuesdays, 10 to 11 PM on an open-end basis. The format will be similar to that of the four local "TurnedOn Crisis" programs shown on Friday evenings during February.

They will be, as the name implies, "rap" sessions—or confrontations on a wide variety of controversial and important subjects within the community. The subjects can range from divorce, welfare, transportation, ecology, etc. whatever happens to be current and pressing. The matter of drug abuse can be a particiularly important subject to serve as a followup to the "TurnedOn Crisis" series. We will, for example, report any situations—both pro and con—on the drug question in any corner of Cincinnati.

"Rap-Session"

The first "Rap-Session" was aired Tuesday, March 9th on the subject: The Police. This program concerned the new police reorganization in Cincinnati . . . . returning to a 9 man Sector force—constant personnel—on a personal "beat cop" basis. This is an experimental program for 6 months in District I in Cincinnati.

A phone call was received the day after this show was aired, by Janet Barrett producer of the series. A woman wanted to know "how can we trust the police to understand and help us when I went to a parent, who happened to be a policeman, and told him his son was on drugs and he wouldn't believe me?" Further discussion with this woman got to the root of her REAL question and problem. Her 18 year old son had been on drugs for over a year. It began with pot and then progressed. Both she and her husband were extremely misinformed about drugs and thought pot was worse than LSD! Eventually the father kicked the son out of the house—when he had progressed to heroin. The boy is now living at a community house with other heroin addicts (tho the mother says she collected his needles when he left home and says he is now "clean"). The mother loves her son, wants to help him—thinks her husband is wrong and has no place to turn.

We referred her to Dan Ransohoff for family counseling; Tom Meyung of the Price Hill Civic Drug Information Center and Katie March—who knows part of her community who has gone through a similar experience and come out successfully.

Benefit to "Free Clinic"

We received word that the U.S. Circuit Court Judge Porter had viewed the Friday local shows on the "Turned On Crisis"—Our Town when Dr. Leff and Steve Gibbs of the Free Clinic had appeared. He was so impressed with the work of the Clinic that he wrote to them and included a generous contribution toward continuation of their work.

Our Commitment

We are committed to the community. We will not let things stop with the conclusion of the "TurnedOn Crisis". We care to do more—we will do more. In a sense the "TurnedOn Crisis" has brought us to a reevaluation of our community responsibility and we have decided to do more. We are an integral part of this community and can be an effective force and leader in every type of activity where direction and coordination are needed.

Mr. MACDONALD. The hearing stands adjourned.

(The following statements and letter were received for the record:)

STATEMENT OF JOHN R. HAMILTON, WASHINGTON REPRESENTATIVE, NATIONAL ASSOCIATION FOR CHRISTIAN POLITICAL ACTION

BACKGROUND AND CLARIFICATION OF AN ISSUE

Gentlemen: When considering the Corporation for Public Broadcasting (CPB), we must know how to properly understand "public." A public is any group of persons sharing interests in common and which is out-in-the-open, not private or concealed. Thus there is not one singular public in the United States, but many publics. There are many diverse life-ways, religions, ethnic interests, socio-economic concerns, etc. represented in various publics constituting the American populace. There is no such entity as "the public" in the singular, but rather many belief-communities with differing proposals for the direction our lives ought to take.

THE PROBLEM

The Corporation for Public Broadcasting has used its funds to assist producers, stations, etc., in the presentation of programs primarily representing only *one* public in American life, viz., the secular-humanist viewpoint. An illustrative sample, by no means exhaustive, but meant only to indicate the contours of this bias, includes the "solutions" offered to various problem areas on *Soul!*, the unabashedly Humanist presentation of *Civilisation*, and the powerfully influential behavior models of *Sesame Street*. The fundamental inequity involved here is that the many *other* publics which have *alternative ways* of dealing with social problems, explaining the pregnant meaning of civilization, and teaching children are *excluded* from "public" broadcasting. But these groups of citizens are also part of the "public," even though they may not constitute a "majority."

SUGGESTIONS FOR LEGISLATIVE ACTION

The financing of the Corporation for Public Broadcasting must adhere to a truly *public* and equitable arrangement. That is, any and all viewpoints, of whatever direction, religion, ethnic origin, social or economic class, must receive equitable financial assistance for the presentation of programs suited to their belief-communities. In the appended copy of our comments to the Federal Communications Commission's Fairness Doctrine Inquiry, which are also to be a part of the record of these hearings, it is shown why broadcast executives may not make these programing decisions for the public, but must assist the *publics* in developing their own broadcast services. Anything less is a failure to provide equitable "public" service.

The bill or bills authorizing the financing for the CPB must stipulate that CPB, as a condition of such funding, disburse its monies pluralistically in order to serve the several publics from which such government funds came. One method for working this out would be to receive each year program outlines, with the directive philosophy clearly indicated, along with estimates of needed funds for production and presentation. CPB would then appropriate funds in an equitable manner to all those representatives of various publics who submitted requests for that year.

(Further elaboration of the above ideas may be found in the appended comments.)

APPENDIX TO THE NACPA STATEMENT

DOCKET NO. 19-260: FAIRNESS DOCTRINE INQUIRY

PHASE REGARDING ACCESS GENERALLY TO THE BROADCAST MEDIA FOR THE DISCUSSION OF PUBLIC ISSUES

(Comments filed by the National Association for Christian Political Action—a Voluntary Association of Citizens for the Promotion of an Equitable Pluralism in Public Life)

JANUARY 10, 1972.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C.

DEAR SIRS: You are going to receive a great quantity of material with regard to this phase of the Fairness Doctrine Inquiry. From broadcast stations and networks you will hear a plethora of reasons why the Fairness Doctrine is unworkable, burdensome, unjust, etc. They want to continue in business as usual. Advertisers will explain why the Doctrine's provisions need not apply to them. Other special interests will eloquently demonstrate from laws, FCC and court decisions, how their particular positions are supported.

Through all the mire of partisan opinion you find yourselves in, we would like to cut through and articulate a solution which will offer true fairness to all those seeking broadcast expression of public issues.

1. *Background: What is Truth?*—There are many ways of looking at public issues. Each "way"" asserts its explanation as "the facts." Such a phenomenon illustrates a fundamental truism: "facts" never speak for themselves, but are always *selected* and *ordered* according to the inescapable starting-point *assumptions* of various "ways" of life. That is to say that issues of public (out in the open) importance are always *seen through human eyes*.

Responsible journalism is therefore not the attainment of "objectivity" or "factuality," since wherever issues are seen through subjective *persons* with all their beliefs, attitudes, experiences, fallibilities, and other limitations on perception, clear-seeing is a functional impossibility. Fairness in broadcast journalism requires that life—news, documentaries, drama, entertainment (which, by the way, *teaches!*), everything—be shown from all viewpoints in order to deliver to the audiences a full spectrum of choices and alternatives.

2. *Who can best decide which positions on public issues are representative?*—Station management cannot make the decisions as to who are the representative spokesmen. What are the two sides to the issue involved? Are there only two sides, or many? How many discrete positions are there? Who best represents these positions? The National Council of Churches does not speak for all Christians.

The Business Executives' Move for Peace does not exhaust the diverse approaches toward a Vietnam settlement.

Broadcast managers are but men. They have busy schedules with many duties: policy planning, personnel management, audience studies, programming, sales, engineering problems, financing, government relations, professional contacts, etc. They do not have the time to delve the varied issues of public importance and even less time to evaluate the variegated stances on those issues. This is not to impugn their intelligence and capabilities as *businessmen*. But by the nature of the case they are *businessmen*, and not political, economic, and social philosophers. Even with the broadcaster's "good-faith" efforts, he cannot possibly know who are the representatives for the full richness and diversity of the dynamic of America's many publics.

Who is to say what constitutes an important public issue and what does not, and which opinions should be aired? Let the *people* say!

3. *Broadcast stations must serve all comers.*—Here is an example of how an equitable arrangement might work. Each month there would be a deadline by which time all those desiring to buy time for the following month would have to file. This would allow stations ample time to equitably apportion its schedule according to that month's demand, publish TV logs, etc. Time allocations would include prime time, of course, again divided into as many segments as needed for the demand. If several buyers desire the same schedule time, such time could be rotated on an equitable basis. Some limitations should be set, such as ten hours per month per buyer, so that the rich and corporations could not dominate public expression and thought.

Such an arrangement would apply to all time buyers of whatever lik: cereal manufacturers, car dealers, political parties, churches, etc. And all types of programs would be subject to equal treatment, since even "entertainment" programs such as *The Bold Ones*, *Bonanza*, and *All in the Family* deal dramatically with issues pertaining to public life, albeit in a different format than conventional documentaries, news, and discussion programs.

This fair allotment of air time to all people and groups desiring to buy it would also apply to "public" broadcast stations, which are presently as exclusive of genuine public pluralism as commercial stations are.

Production facilities and assistance could also be purchased from the station, or contracted independently.

4. *Guarantees for those not able to pay.*—Just as one's financial status is assessed to determine eligibility for welfare assistance, so also a program of assistance for needy persons and groups desiring a mass communication voice must be developed. In this way we can remove every barrier to the free expression of opinion by all the diverse people (public) within our land.

5. *The First Amendment* rights of citizens in this age of mass communications media must extend also to those important media. Since broadcasting media are powerful and influential formers of thought and opinion which utilize a scarce resource (the electromagnetic spectrum), Congress has seen fit to regulate them. An equitable and just Fairness Doctrine must permit the use of the airwaves by all citizens in an impartial and equal way. The right of freedom of speech via the media of mass communication should extend to all, not just to station licensees. Anything less is an abridgment of free speech.

6. *"Communities."*—When considering how best to provide a fair, efficient, and equitable distribution of broadcast service to the people (both as listeners *and* senders), the needs of the "community" are usually assessed. Too often communities are thought of as merely geographical entities, as for example the localities comprised by a metropolitan area. But surmounting the narrow boundaries of urban locales, are communities of *thought*. These thought communities are the crucial ones which determine viewpoints on public issues. Thus a station's "community service" may involve distributing air time among the several minority viewpoints within one locale or across several metropolitan locales on a given issue.

7. *Pluralism.*—The proposal that broadcast stations serve all comers is an idea *not* for the benefit of the various groups commissioning programs, but for the *public's* interest, convenience, and necessity. The point is that, as any student of sociology should be able to tell you, there is no "general public" in the singular, no common denominator John Q. Public. Rather, the U.S.A. is composed of many publics (i.e., groups), with various life-ways, religions, ethnic interests, socio-economic concerns, etc. *They* must be served, and they may best be served by *serving themselves*, that is, appointing spokesmen from their own group to design and air programs meeting their needs. Others may also tune in and learn of the different cultural outlooks, *ways* of viewing life, etc., for their enrichment and enlightenment.

This suggestion benefits public interest and is *not* point-to-point broadcasting or *individualized* message-sending. *Responsibility* for the content's lawfulness would still rest with the licensee, and also with the program's producer or the group buying the time. Thus we avoid the negative aspects of the common-carrier idea while retaining its fundamental *fairness:* anyone who wants can buy time, providing this is worked out *equitably*.

The central theme here is a pluralistic system. Pluralism is a state or condition of society in which members of diverse ethnic, racial, religious, or social groups maintain an autonomous participation in and development of their culture or special interest within the confines of a common civilization. This system is particularly well-suited to the broadcast media. It carries through the spirit of the August 3, 1971, ruling of the Washington, D.C., U.S. Court of Appeals regarding the robust, wide-open airing of public issues.

8. *Also license pluralistically.*—Broadcast station management has had considerable difficulty implementing the present Fairness Doctrine, especially in trying to notify persons of personal attack, securing opposing viewpoints, etc. The task of *every* station trying to please *all* the people has often hamstrung station operators. But the FCC has allowed and should continue to encourage *specialized* program services where the *total* range of stations in an area meets the public need. (See, e.g., Committee on Interstate and Foreign Commerce, *Television Network Program Procurement*, House Report No. 281, Union Calendar No. 111, May 8, 1963.) License whole stations pluralistically, according to thought communities (e.g., Christian, Buddhist, Humanist). This is especially feasible in large metropolitan areas with several broadcast outlets. Then rather than spending ones energies seeking out and adequately pleasing everyone, the licensee can concentrate in depth on his sub-group and serve his particular "public" well.

However, even with the scores of channels potentially available with cable systems, not every viewpoint may feel represented with its own channel. Therefore the right to buy time equitably should still be in effect at all the broadcast outlets.

9. *Also appropriate funds equitably.*—At present, funds for program production and broadcast are distributed through such agencies as the Corporation for Public Broadcasting and the Office of Education for primarily *one* thought community: the secular humanist way of viewing life. But these government funds came from a number of other publics and should be disbursed accordingly.

10. *A workable plan.*—Industry people and others can be expected to find many excuses as to the "unpractical" nature of these suggestions. It will disturb the status quo of the industry's commercial nature. This is beside the point. Broadcasting was not meant to be an "industry" anyway, but rather a public trust of a scarce commodity: airwaves. And in the beginning, selling products was not its purpose. As a vehicle for the free speech of Americans its potential is enormous. Pluralistic equity *can* be implemented and the people of the United States will benefit from it.

11. *Epilogue.*—This is a simple plea for justice and equity for every different shade and spirit. Is there a better answer than this? than liberty and justice for all?

Most sincerely yours,

John R. Hamilton,
Washington Representative,
National Association for Christian Political Action.

STATEMENT OF THE NETWORK PROJECT, COLUMBIA UNIVERSITY

A QUASI-CONTRACTUAL PROPOSAL FOR IMPROVED LONG-RANGE FUNDING FOR NONCOMMERCIAL PUBLIC BROADCASTING

Mr. Chairman and members of the Subcommittee, as an individual concerned with the development of a democratic design for the nation's telecommunications structure, and as the attorney for the Network Project, I appreciate the opportunity to appear before you today in order to make some specific recommendations as to the manner of funding noncommercial educational radio and television.

First of all, any legislative design for long range funding must provide the individual licensees—and particularly the program production entities—with the maximum amount of freedom possible from programming or financial constraints, whether those constraints derive from the commercial sector, large foundations, or the government. The impact of large corporations on contemporary society need not be belabored, and, as the Supreme Court has recently recognized,[1] these significant aggrandizements of private power bring the full panoply of First Amendment protection to those who criticize—or address themselves to—the failings or indiscretions of the private commercial sector. Large philanthropic foundations are generally closely tied to commercial interests, and the potential for abuse attending their grants was a legitimate concern of the Congress in enacting the Tax Reform Act of 1970. The importance of assuring freedom from governmental control cannot be overemphasized.

Thus, there are strong underlying reasons in policy, as well as constitutional principle, for insulating noncommercial licencees from any financially pre-emptive source of control or reliance—private or governmental. To begin with—and with all due respect, Mr. Chairman—any proposal for long range funding which channels a predominant amount of appropriations through a centralized body, such as the Corporation for Public Broadcasting, does not satisfy the prerequisites for programming and journalistic independence. The Corporation's Directors and personnel undoubtedly possess biases of their own, as do officials of the Public Broadcasting Service, to which the Corporation has effectively delegated major responsibility for programming control and financial allocation. Moreover, and despite the explicit provisions of the Public Broadcasting Act, the Corporation's Board of Directors can evidence a strong professional, commercial or economic bias—a commonality of interests which is the autithesis of diversified and independent programming.

In an effort to eliminate the programming control exercised by the Public Broadcasting Service and by the Corporation, and in an effort to diversify the representative membership of the Corporation's Board of Directors—as required by the Public Broadcasting Act—the Network Project filed suit in New York federal court last December, seeking a declaratory judgment as to the Board's improper constitution and seeking various injunctive remedies as well. But even if the Network Project's suit is successful in diversifying the Board's membership, the potential for abuse remains, as local stations and program production centers will be beholden to a single body for the bulk of their financial sustenance. Thus, it is essential that a mechanism be built into the system for automatically dispensing funds directly to licensees and program production entities. Any system requiring periodic appropriations by the Congress or major control by the Corporation over financial distribution is thus seriously deficient in this regard.

The Ford and Carnegie Commissions have proposed that noncommercial broadcasting be financed through the revenues derived from an excise tax imposed upon the sale of television receivers and a tax imposed upon satellite usage, respectively. While these proposals entail a greater degree of independence from the vicissitudes of Congressional appropriations, they do not necessarily remedy the manner of distribution once the money has left the U.S. Treasury.

The Corporation for Public Broadcasting would apparently remain the primary dispenser of funds. Moreover, the continuing benefits of any such taxing scheme would be dependent upon the inability of the powerful television manufacturing or satellite communications industries to resist sustained imposition of the tax upon their respective products. Finally, any such tax could produce fluctuating revenues from year to year—fluctuations that have no bearing on the need of noncommercial television and radio for financing.

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[1] *Rosenbloom* v. *Metromedia*, 403 U.S. 29, 43–45 (1971), prevailing opinion of Justice Brennan, joined by Chief Justice Burger and Justice Blackmun.

In short, the financial and programming independence of the nation's noncommercial licensees requires a different approach to long range financing than those centralizing proposals made before this Subcommittee.

At the same time, however, the funding of public broadcasting must not—contrary to several other proposals before this Subcommittee—be so decentralized and diffuse as to destroy a fundamental asset of public broadcasting—its ability to command attention to serious national issues and to stimulate public inquiry of problems of a national or international character. Proposals for funding individual licensees directly, to the virtual or complete exclusion of major "national" program production centers, would emasculate public broadcasting in this country and reduce the programming of individual licensees to little more than manifestations of parochialism and instruments for the solidification of local biases. The potential for a local audience to gain effective and rapid access to information concerning events and problems of national concern would be immensely hampered. Moreover, because funding would be spread thin over the various licensees, the possibility for any given licensee or group of licensees to finance the use of interconnection facilities would be a theoretic possibility, but in reality—a fiction.

Instead, Mr. Chairman, public broadcasting must continue to assume a creative and probing character nationally, while preserving the autonomy and independence of the local stations, and while simultaneously enabling the local stations to produce substantial amounts of their own programming. In addressing the precise manner in which this balance can be implemented, I will briefly address myself to the structure of the system, and then to the manner of funding the two primary levels in that structure.

First of all, programming production must come essentially from two levels—local and national. Individual licensees will, of course, be the producers of local programming, but *national* programming production centers are also essential. Indeed, several national production centers are necessary not only in order to fulfill the need for independent national journalism, free of the constraints of the commercial networks, but also to provide diversity in programming on a national level.

Therefore, I propose that this Subcommittee recommend the legislative designation of approximately ten national programming centers to be selected throughout the country in order to provide a fair balance of national programming, in terms of geographical and demographic perspective. The noncommercial television licensees in such cities as New York, Washington, San Francisco, and Los Angeles (existing program production facilities) could be designated as major programming production centers, as could licensees in such cities as Des Moines, Salt Lake City, and Albuquerque. The Public Broadcasting Service could contract for national interconnection services and then be required to apportion the available interconnection time amongst the various major production centers. Each production center's programming would then be made available to the various licensees without the centralized censorship of national programming currently exercised by the Corporation's networking arm, the Public Broadcasting Service. Thus each licensee, as well as the licensee's audience, would have at his disposal national affairs programming that could be diverse in character, origin, and outlook, at the same time that the licensee was producing substantial amounts of his own programming.

As far as funding is concerned, the Network Project submits that the most desirable approach to the problem entails Congressional application of prominent features of the law of implied contract to the area of noncommercial public telecommunications. Such an enactment would codify, in a particular and narrowly defined area of the law, aspects of a legal doctrine which the courts have been developing under the common law for centuries. Simply stated, the law of implied or "quasi"-contract provides for remuneration of an entity for performing a given and specific service, which the law deems worthy of compensation by those who benefit from the service performed. Its application to noncommercial educational broadcasting simply recognizes that educational licensees perform a unique and essential service for the people of the country as a whole and that their service is worthy of special provisions for remuneration.

A federal law of implied contract for noncommercial broadcasting would operate prospectively and would authorize regular, automatic, and guaranteed payments to public broadcasting entities for services rendered—automatic as is the Government's direct payment of money to private contractors after performance of their obligations. However, the quasi-contractual basis for funding would differ in two respects from the manner of compensating parties to specific governmental contracts. Firstly, the government's obligation to pay noncommercial licensees would result from the enactment of the quasi-contract statute itself and would not require a typical written contract as in the traditional case involving purchase of goods or services. The law itself would "imply" the government's obligation to finance public broadcasting. Secondly, the government's obligation to pay noncommercial licensees would operate prospectively so as to fund public broadcasting in advance of any regular period of time, thereby providing for monthly or quarterly compensation or in any other frequency desired.

The enactment, establishing a federal law of implied contract, could then guarantee financial—and, therefore, programming—independence in the following manner: With regard to individual licensees, the statute could specify the amount of money each educational licensee shall receive for its services during the fiscal year ending June 30, 1973, and, further, that each licensee's remuneration shall increase in accord with the reported cost of living increases in its broadest market as regularly reported by the Department of Labor. With regard to the ten suggested major programming production centers, the enactment could also—and equally importantly—specify what each production center shall receive for its services during the fiscal year ending June 30, 1973, and similarly that each production center's remuneration shall increase in accord with the reported cost of living increases in its area. The amount that any licensee or production center would receive in any future year would be automatic, guaranteed, and determined in amount by the base figure legislated for the given licensee or production center for the fiscal year ending June 30, 1973, as amplified by the cumulative cost of living increases to the year in question.

The average licensee or production center licensee would continue to receive periodic compensation as long as it held it's broadcast license; and like the commercial stations, the noncommercial stations would hold their licenses as long as they continued to serve the "public convenience, interest or necessity" as required by the Communications Act and as measured every thre years by the FCC.

In this manner, Mr. Chairman, public broadcasting could fulfill its potential as a source of local innovation and national information, without compromise to vested interests, whether they be commercial, philanthropic, or governmental. On behalf of the Network Project, I strongly urge the adoption of a quasi-contractual approach to long range funding of the nation's public broadcasting entities.

AMERICAN BAR ASSOCIATION,
Chicago, Ill., January 27, 1972.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. STAGGERS: The Board of Governors of the American Bar Association has adopted the following resolution which supports efforts of the Corporation for Public Broadcasting:

Whereas, The Corporation for Public Broadcasting, through public television and radio stations, is serving an important need in bringing educational, public affairs and cultural programing to a large segment of the nation as a result of its creation by the Congress of the United States; and

Whereas, This Association is a member of the Corporation for Public Broadcasting's National Advisory Committee and is involved in consultation with its leaders on public broadcasting policy and programing: Now, therefore, be it

Resolved, That the American Bar Association, acting through its Board of Governors, supports the general principle and efforts of the Corporation, the Administration, and the Congress to provide an effective long-range financing plan for non-commercial broadcasting in the United States.

We would appreciate your making this resolution part of the record.

With all good wishes, I am

Sincerely yours,

KENNETH J. BURNS, Jr.

(The response of the Office of Telecommunications Policy to Mr. Tiernan's request on p. 319 follows:)

SUBSTANTIATION OF H.R. 13007'S INCREASED OPERATING SUPPORT FOR EDUCATIONAL BROADCAST STATIONS

Preface

This response contains the information requested during Mr. Whitehead's February 3, 1972, appearance before the Subcommittee on Communications and Power regarding the Administration's bill for public broadcasting financing (H.R. 13007). Specifically, facts were requested to substantiate the increase in operating grants for licensees of local educational broadcast stations, as provided by H.R. 13007. It should be noted at the outset that the various entities making up the public broadcasting community are still in the process of establishing a common format for reporting income, capital and operating expenditures, etc. As a result, some of the figures herein are "best approximations," and should be evaluated with that in mind.

Notwithstanding this qualification, we believe that the information is as accurate a representation of public broadcasting's need for increased operating funds as is possible to compile at this time. A review of the available financial data, projections and other budgetary information shows that it is impossible at present to determine how much is needed to support station operations and how much is appropriate for the Federal Government to commit for this purpose. There is, however, no doubt that the need for $15 million in operating support earmarked for the stations by H.R. 13007 can be substantiated as set out below. While it can be assumed that more than $15 million will be needed in the future, it is desirable that the Congress be concerned that future needs be justified by the public broadcasting interests. The Office of Telecommunications Policy intends to work with public broadcasters to see what future funding levels would be necessary and appropriate.

Present Situation

The local educational television and radio licensees are severely constrained by funds and limited in their capability to increase the alternatives for local expression, which was intended by the Congress in establishing the public broadcasting system. Most witnesses who appeared before the Subcommittee made an effective case for increased Federal funds to support station operations. As Mr. Montgomery, of the Iowa educational broadcasting system summarized the problem, the stations have a need for funds to deal with local issues which is escalating faster than their need for national program services.

CPB Operating Grants

The Corporation for Public Broadcasting (CPB) currently distributes $5.9 million in operating support grants among the public broadcasting licensees via Federal support grants. But Frank Pace, CPB's Board Chairman recognized that:

" * * * There is a great need to provide the stations with more dollars to enable them better to serve strictly local needs through local programming."

Over four and a half million dollars of CPB's total operating grant funds go to 140 television licensees, which amounts to an average of approximately $33 thousand per licensee. Radio licensees receive about $1.2 million of an average of $11 thousand for each of 110 eligible licensees. The total operating income for all licensees from all sources is estimated at $156 million for 1972. On this basis, the CPB support grants constitute approximately 4% of licensees' total operating income.

Television licensees spend on the average of about 22% of their total operating income on local program production. For 1972 this gives each licensee an average local production expenditure of about $245 thousand. It should be noted that the licensees spend about 50% of the CPB operating support grants on local production, which from the figures cited above, would give each television licensee about $16,700 on average for local programming. This suggests that the existing CPB support grants account for about 6.8% of local programming expenditures, and that more than 90% of the funds spent on local production comes from non-Federal sources.

When the costs of local programming are considered, it is clear that little local programming can be supported by the current level of CPB support grants. Local programming costs vary considerably. For example, licensee KCET spends about $44 thousand per hour on THE ADVOCATES; SELF DEFENSE (a women's instructional program on self defense) incurs costs of $3 thousand per hour; coverage of the President's China announcement cost $7,500. A conservative figure of $4 thousand per hour for local production costs would permit purchase of about 4.2 hours of local programming, out of a $16,700 budget, for each licensee for the year! Indeed the total budgets for local programming of $245 thousand on average, at $4 thousand per hour, would result in only 61 hours per year or about 5 hours per month for each licensee.

A Decline in Local Program Production

Local program production is one of the most expensive items in the stations' operating budgets: the economic squeeze faced by most stations has its first and most adverse impact on this essential aspect of the stations' service to their communities. In recent months, the educational television station in Philadelphia WUHY-TV) stopped presenting local programming because of financial difficulties; KQED in San Francisco ceased separate programming of its second channel; WETA-TV, Washington, D.C. cut back its local program production, and WHRO-TV, Norfolk, Virginia, reduced its level of local instructional programming. Moreover, there are many educational television stations that do little or no local production of general audience programming and have had to defer plans to initiate such production because of a lack of funds. Stations falling into this category are: KCSD-TV, Kansas City, Missouri; KYVE-TV, Yakima, Washington; KETA, Oklahoma City, Oklahoma; WFYI (TV), Indianapolis, Indiana; KFME(TV), Fargo, North Dakota; KRMA-TV, Denver, Colorado; KTWU(TV), Topeka, Kansas; and WTVI(TV), Charlotte, North Carolina. An ever greater number of educational television stations, which are already engaged in significant local program production efforts, have had to shelve their plans for increased local programming because they lack the necessary funds.

(Whereupon, the hearing was adjourned at 4:15 p.m.)

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